

Process evaluation of the childcare service trial

Final Report

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Research Report 521



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Executive Summary

Introduction (Section 1)

In 2017, the government launched two new forms of support aimed at helping parents manage their childcare costs - Tax-Free Childcare and 30 Hours Free Childcare – both of which are accessed via HMRC's online childcare service. Prior to the start of the public rollout of the childcare service, which began in April 2017, HMRC ran a small-scale private trial from November 2016 to April 2017.

This evaluation explores parents' experiences of using the childcare service in order to identify areas for improvement or where support and guidance may be needed. A total of 200 depth interviews with parents were carried out over three main waves, two of which focused on trialists and one of which focused on parents that had signed up to the service since its launch and had been found ineligible or needed additional checks before receiving a decision regarding their ineligibility. Additional rounds of research were also held with a range of other groups.

Findings are focused primarily on the experience of those who took part in the childcare service trial, who are referred to as **trialists** throughout. However we also draw on findings from research amongst some individuals who had applied for the service following public roll-out, specifically those who were flagged as amber or red in eligibility checks at application (and took part in Wave 3 of this process evaluation) and those who had not reconfirmed following their initial application¹. Throughout this report, we refer to this group as **non-trialists**. Findings from these groups are included where these highlight specific issues that were not part of trialists' experience (see Section 2 for information on how trialist experiences may differ from those who signed up for the service following the public roll-out). These individuals were selected for inclusion in this research to understand experiences of specific parts of the customer journey and their views should not be seen as reflective of those of the general population of users (i.e. the service following public roll-out), particularly as their specific experience may have been more complicated than most users.

Pre-application understandings and experiences (Section 3)

Prior to signing up to the service, most trialists and non-trialists had some understanding of the service and support available, including the broad eligibility criteria for both Tax-Free Childcare and 30 Hours. However, there were specific areas of misunderstandings, including the interaction between Childcare Vouchers and Tax-Free Childcare, the age at which parents could apply for 30 Hours on behalf of their child and the rules for applying for support during maternity leave.

¹ At application, the parent/child will receive one of three eligibility responses for each scheme per child (i.e. for each child an eligibility response will be generated for 30 hours free childcare and Tax-Free Childcare. These are 'green' (they are eligible for 30 hours/Tax-Free Childcare), 'amber' (to judge eligibility, HMRC need to conduct further checks or need more information from the applicant), and 'red' (they are not eligible).

Motivations for signing up to the service were consistent across the audience. Parents were primarily motivated by the potential financial benefits and were positive about the idea that support was being provided for working parents. A minority were also motivated by the idea that the service would offer them greater control over their finances.

Despite these motivations, trialists were all busy juggling work and family commitments and a number of barriers could prevent them from immediately signing up to the service. In particular, application could be de-prioritised until some event, such as the start of a new term, prompted parents into action. A minority of trialists and non-trialists also encountered technical issues that acted as a barrier to them progressing with use of the service.

Experiences of sign-up to the childcare service (Section 4)

For the majority of trialists and non-trialists once they had committed to signing up for the service the experience was straightforward, with relatively few issues experienced during the ID Verification or application. The process was generally seen to meet expectations for a government service, and although some inconvenience stemmed from the need to locate specific documents, this was generally accepted as necessary given the financial implications of accessing the service. Although most were able to complete the process in one sitting, some felt that greater upfront guidance about the documentation needed would have allowed them to be more prepared.

Although the process itself was considered straightforward, confusion could arise as to exactly what support was being applied for². A number of non-trialists (drawn from both Wave 3 of the process evaluation and reconfirmation interviews) had attempted to sign up for 30 Hours before their child was eligible for the service and had been confused – and in some rare cases concerned – when they appeared to have been re-routed to open a Tax-Free Childcare account.

Amongst non-trialists, there was an expectation for clear signposting around next steps if they were not found immediately eligible at the point of application. Those found ineligible also expected clear guidance on why they had been found ineligible and how to follow-up if they disputed this decision.

Experiences of using the childcare service (Section 5)

Parents were generally using the service as a way to transfer childcare fees on a monthly basis, logging on each month to manually make payments, as trialists felt that this offered them greatest control over their funds. Given this preference, the payment mechanism for Tax-Free Childcare, which parents perceived required them to pay money in and then wait several days until money had cleared before making payment, was felt to make the overall payment process considerably less convenient than paying childcare providers directly. Based on their experience of online banking trialists expected funds to go into and out of their account straight away and misunderstandings about this led some to make late payments to their childcare provider. Parents expected clearer upfront guidance about how long money would take to enter / leave their account, as well as notifications to let them know when it had been done.

Details about other aspects of using the service are listed below:

² Parents apply for both schemes through a joint application – they are only asked what scheme they want to apply for if they are currently on tax credits, Universal Credit or receiving childcare vouchers.

Site access: Most trialists³ accessed the site via a laptop or desktop computer, with a minority who accessed the site via mobile feeling that the site was not optimised for that format. Many participants expressed a preference for a dedicated mobile application.

Site login: Parents experienced issues logging into the site, principally due to the lack of a distinct login page and confusion about how to access the service having signed up. Many also experienced difficulties remembering the login IDs generated by the service.

Site navigation: The service was generally considered to lack a clear user interface, and although most respondents were generally able to work out how to access support, some with less technical confidence needed to contact HMRC for guidance on how to proceed following sign up.

Paying into the account: Parents who were keen to pay the exact amount into their account to meet childcare costs each month could struggle to calculate top-up amounts. Several suggested that their experience would be improved by the inclusion of a top-up calculator.

Paying out of the account: Parents who had set up a regular payment to leave their account each month suggested that this would be more useful if they could specify a day for paying out (such as the first Monday of every month) rather than date (such as the 1st of each month), as this was more in line with the way that childcare payment deadlines were structured and wages were paid.

Reconfirmation: Trialist experiences of reconfirmation were atypical due to the large amount of pre-trial communications they had received highlighting the need to reconfirm. Amongst non-trialists, most had not understood the need to reconfirm before or during the application process, and had only therefore become aware when prompted to do so. Those claiming 30 Hours tended to be better informed about the need to reconfirm, often having been notified by childcare providers, but tended to assume that reconfirmation was necessary on a termly rather than 3 monthly basis. Some parents recorded by the service as having signed up for Tax-Free Childcare had not reconfirmed as they had dropped out of using the service after finding it too complicated. Others had meant to sign up for 30 Hours and so saw no value in reconfirming. Amongst all those using the service there was generally an acceptance of the need to reconfirm, although some questioned the frequency.

Interactions with childcare providers: Most childcare providers were signed up to the service and many of these were able to provide trialists with additional guidance on how to use the system. In cases in which providers were not signed up, most common amongst after-school clubs, parents could feel they were missing out on the support as they waited for childcare providers to register.

Guidance and support (Section 6)

Support needs arose for trialists around a number of issues including troubles with login, questions about how to use the site and confusion about whether money had left the account. Non-trialists had generally contacted the dedicated Childcare Service helpline for clarification on the status of their eligibility. Most trialists and some non-trialists had also encountered technical issues during their use of the service. Most were still able to access their account despite these issues, but in rare cases technical issues had prevented parents from accessing money in their account.

³ This was not asked of non-trialists.

Online guidance was seen as a convenient first-port-of-call for information but parents generally turned to the helpline if they had more specific issues or couldn't easily find the information they needed online.

Parents were generally dissatisfied with the guidance and support received. Online guidance was felt to be difficult to navigate and text-heavy. The quality of helpline support was seen to be highly variable but in many cases staff were felt to lack the technical knowledge and jurisdiction to address issues. Parents that had to contact the helpline on a number of occasions also criticised the lack of consistency across calls and the lack of a clear case number to track issues. There was no noticeable difference to these issues across waves.

Amongst non-trialists, information on the appeals process was felt to be vague and difficult to access.⁴

Conclusions and implications (Section 7)

Trialists were positive about both Tax-Free Childcare and 30 Hours support for offering financial support to working parents, which was felt to take the pressure off of household budgets and free up money to spend elsewhere. Most parents did not see Tax-Free Childcare support changing their working patterns or childcare arrangement, although some claimed that it would allow them to rely on informal forms of childcare, such as grandparents, less. For those claiming 30 Hours, some part-time workers felt that the additional hours of childcare could help them to increase their number of working hours.

Perceptions of the service were less positive, due to technical issues, the design of the payment mechanic and unfavourable comparisons with paying directly. Trialists were generally more forgiving than non-trialists as they perceived the service to still be under trial, even once it had rolled out nationally. They also tended to have relatively straightforward journeys, as they had been selected for the trial partly based on their eligibility.

Based on these findings, a number of implications for development emerged that parents felt would help improve the service.

Site navigation and login

- A dedicated login page and ability to change login ID
- Clearer signposting around the service following sign-up – e.g. next steps
- Optimisation of mobile interface and/or development of dedicated mobile app

Payment process

- If possible, faster transfers into and out of the account for Tax-Free Childcare
- In the absence of this, clearer signposting around timings and notification once transactions are complete
- A calculator to work out top-up amounts and how much to pay into their account

⁴ If parents feel that they have been prevented from using the service is based on incorrect information, then they have the right to appeal the decision within 13 weeks

- A more effective search function for locating childcare providers on the system - e.g. functional using only the childcare provider name

Guidance and support

- Guidance more fully integrated into service via user interface
- Better training for helpline staff and case number to track queries across calls
- Online chat support option
- Clearer guidelines around eligibility for 30 Hours, during maternity leave and about interaction between Childcare Vouchers and Tax-Free Childcare
- Clearer guidance about the status of applications and on next steps for those found ineligible for the service

1. Introduction

This report outlines findings from research with parents about their experiences of the childcare service trial. This section provides background to the research, including details of the policy context, research aims and methodology.

1.1 Background to the research

In 2017, the government launched two new forms of support aimed at helping parents manage their childcare costs: Tax-Free Childcare and 30 Hours Free Childcare.

Tax-Free Childcare was launched by HMRC in a number of stages from April 2017 and offers working parents a 20% discount on their registered childcare costs. The support can be used to purchase registered childcare for children aged under 12 years (or under 17 years if the child is disabled), allowing parents to save up to £2,000 per child per year (or £4,000 for disabled children).

30 hours free childcare, administered by the Department for Education, is an entitlement for working parents of three and four year olds in England to up to 30 hours of free childcare a week from September 2017, increasing the current entitlement from 15 hours.

To qualify for this support, both parents (or the lone parent) must be working, and earning over £115 a week and not more than £100,000 each per year. To be eligible for Tax-Free Childcare, parents also cannot claim tax credits, Universal Credit or Employer Supported Childcare (e.g. childcare vouchers).

The childcare Service

In order to access Tax-Free Childcare and/or 30 Hours free childcare parents apply through a single online application called the childcare service, which is accessed via Government Gateway on the GOV.UK website. Before beginning their application for the childcare service parents must first confirm their identity and create a Government Gateway account.

Once parents have verified their identity, they can apply for both Tax-Free Childcare and 30 hours free childcare through a single joint online application. If eligible for Tax-Free Childcare, parents are able to open an account for each eligible child into which they can transfer money, with the government contributing a £2 top-up for every £8 paid in by parents. Payments can then be made to childcare providers registered to the service directly from the account.

Parents that are eligible for 30 hours free childcare are given a code which allows their childcare provider to verify their entitlement, with payments to the childcare provider then made directly via the Local Authority – so that childcare is free at the point of access for parents.

Every three months, parents claiming both forms of support are required to confirm that they are still eligible, including that they have taken any required actions (e.g. cancelled childcare vouchers).

The childcare service trial and early implementation

Prior to the public rollout, HMRC conducted a private trial of the childcare service from November 2016. The purpose of the trial was to test the live running of systems and processes across a range of customer journeys with real parents. Parents registered their interest by completing an online screening questionnaire, to establish whether they might be eligible, collect their personal details and classify them against a range of other relevant criteria. Details of registered parents were passed to HMRC and parents were invited in stages to actually trial the service. All parents invited to the trial were able to open an account and claim Tax-Free Childcare if eligible.

Alongside the childcare service trial, the Department for Education ran an early implementation/rollout of 30 Hours free childcare. This began in September 2016 with the early implementation of the support across eight local authorities. Individuals taking part in this process were invited to sign up for the childcare service to test the process, but did not need to access the service in order to claim the support. In April 2017, an early roll-out of the support occurred across a further four local authorities. In three of these, parents were able to claim the support directly via their local authority, but in the fourth local authority (Dorset) parents needed to sign up to the childcare service to receive a code and submit it to their childcare provider in order to claim the support.

1.2 Research approach

The purpose of this process evaluation was to explore parents' experiences of using the childcare service and identify any areas for improvement, or where further support or guidance may be needed.

The research took an iterative approach, exploring parents' experiences at different stages of their journey and at different points of time as the childcare service was developed and rolled-out nationally. The core research programme consisted of three waves, two of which focussed on the experience of trialists, with the last stage shifting focus to explore the experience of those who had signed up to the service since the national rollout and had been found ineligible or had to wait for a final eligibility decision when applying for the service. Alongside this, a number of additional research strands explored a range of related issues, including the early expectations of those registered for the trial, the experience of parents in Dorset taking part in the 30 Hours early rollout and the experience of reconfirmation amongst non-trialists.

Although each strand of the research had its own distinct aims (see table below), the overall process evaluation was focused on understanding a number of key aspects of parent experience, including:

- Ingoing expectations for Tax-Free Childcare, 30 Hours free childcare and the childcare service
- Experiences of the identity verification and application process when applying for the childcare service
- Experiences of account management including registering a childcare provider and paying money into / out of the account for Tax-Free Childcare and redeeming 30 Hours code
- Interactions with Childcare providers relating to use of the service
- Expected impact on participation on behaviour and perceptions of HMRC / government

The table below provides a summary of all research strands included in the process evaluation:

Research strand	Timings	Aims	Method / timing
'Wave 1	Dec 2016 - March 2017	Evaluate trialists' early experiences of the childcare service – specific focus on initial application	100 x 60 min in-depth telephone interviews
'Wave 2'	June – July 2017	Evaluate trialists' later experiences of the childcare service – e.g. making a payment, changing details, reconfirming, etc	50 x 60 min in-depth telephone interviews
'Wave 3'	Oct – Nov 2017	Evaluate the experiences of users of the childcare service who did not immediately receive a final eligibility response as part of the process of ensuring eligibility or who were found ineligible for the service (<i>non-trialists</i>)	50 x 60 min in-depth interviews (20 face-to-face / 30 telephone)
'Non-sign ups'	Jan 2017	Evaluate the experiences of individuals who registered an interest in the trial, but who did not then sign up to the childcare service	25 x 20-30 minute telephone interviews
'Dorset sign ups' (Appendix A)	April 2017	Evaluate user experiences of the childcare service as part of the Dorset early rollout of 30 hours free childcare	20 x 60 minute in-depth telephone interviews
'Dorset non-sign ups' (Appendix B)	March 2017	Understand why parents who registered interest in the Dorset early rollout of 30 hours free childcare had not signed up to the childcare service	10 x 20 minute telephone interviews
'Trial selection mini-depths' (Appendix C)	Oct 2016	Check understanding of trial participation among parents who were screened as being eligible for the trial	10 x 5 minute telephone interviews
'Ineligible trialists mini-depths' (Appendix C)	Oct 2016	Check understanding of eligibility explanation among parents who were screened as being ineligible for the TFC trial due to claiming tax credits	10 x 5 minute telephone interviews
'Reconfirmation mini-depths' (Appendix D)	Oct 2017	Develop an understanding of why some parents had not reconfirmed when required (<i>non-trialists</i>)	30 x 10 minute telephone interviews
Total number of interviews with parents (including mini-depths) – 295			

In addition to the research outlined above, we conducted two further strands of research with childcare providers and local authorities engaged in the early implementation of 30 hours free childcare. We have not included findings from these strands in this report as they do not focus directly on parents' experiences of the childcare service. However, summary findings from both are provided in the appendices (see appendices E and F).

All interviews were digitally recorded, with participant consent. The data were thematically organised and analysed using a 'Matrix Mapping' approach. This robust analytical method allows researchers to draw out the diversity of opinions expressed by individual participants, as well as identifying common themes across interviews.

1.3 Reading this report

This report focuses primarily on the experience of those who took part in the childcare service trial and were the focus of Waves 1 and 2 of the process evaluation. These individuals are referred to as **trialists** throughout.

However we also draw on findings from research amongst some individuals who had applied for the service following public roll-out, specifically those who were flagged as amber or red at application (and took part in Wave 3 of this process evaluation) and those who had not reconfirmed following their initial application⁵. Throughout this report, we refer to this group as **non-trialists**. Findings from these groups are included where these highlight specific issues that were not part of trialists' experience (see Section 2 for information on how trialist experiences may differ from those who signed up for the service following the public roll-out). These individuals were selected for inclusion in this research to understand experiences of specific parts of the customer journey. Their views should not be seen as reflective of those of the general population of users (i.e. the service following public roll-out), particularly as their specific experience may have been more complicated than most users.

The flexible and open nature of qualitative methods enable researchers to respond to participants and explore unanticipated issues relevant to the research questions. The research does not seek to quantify or generalise to the overall population but instead seeks to reflect a range of attitudes and behaviours.

Throughout the report, verbatim quotes and case studies are used to illustrate particular findings.

⁵ At application, the parent/child will receive one of three eligibility responses for each scheme per child (i.e. for each child an eligibility response will be generated for 30 hours free childcare and Tax-Free Childcare. These are 'green' (they are eligible for 30 hours/Tax-Free Childcare), 'amber' (to judge eligibility, HMRC need to conduct further checks or need more information from the applicant), and 'red' (they are not eligible).

2. Experiences of trial pre-registration

In this section we outline the experience of individuals as they registered to take part in the trial of the childcare service (as opposed to signing up to the childcare service itself, which is covered in section 4). The section first looks at their experiences of the trial registration process (Section 2.1), before drawing out some of the likely implications of these experiences on their perceptions of the Childcare Service (Section 2.2). This context will help to highlight some of the ways in which the views of trialists may differ from individuals who have registered for the childcare service since the public roll-out started in April 2017.

2.1 Experiences of registering interest in the trial

To take part in the childcare service trial, parents first had to register interest in taking part. After registering their interest in the trial, parents received an email from Kantar Public and a letter from HMRC, informing them about next steps and providing links to further information about the Tax-Free Childcare support. Parents also received a reminder letter from HMRC at a later date, containing specific information relating to the childcare service, including information about the reconfirmation process and advice about how childcare providers also need to be signed up to the service. It also contained the details for the dedicated childcare service support line and an attachment going into more detail about the service, including details of eligibility requirements.

2.2 Implications for experiences of the childcare service

Given their ingoing experiences of registering to take part in the trial, the views and experiences of trialists may differ in some important ways from those signing up to the childcare service since its launch.

First, participants completed a short pre-screening process as part of registering for the trial. This did not confirm eligibility against all criteria and there was scope for circumstances to change prior to application, but it did mean that trialists were likely to be eligible for the service. With the exception of Wave 3 then, this process evaluation was focused mainly on the views of those who were eligible for the childcare service, rather than those who may have applied but were not eligible.

Second, trialists were likely to be better informed about the childcare service than the general public, particularly regarding aspects that were outlined explicitly in communications, such as the need to reconfirm eligibility and how to contact the dedicated childcare service support line. Given their long-term engagement with the evaluation process, which took place over several months, and the fact that trialists were often motivated about the idea of taking part in an early trial, the bulk of our sample also seem more likely to have done their own research to discover information about the service and associated policies online.

Finally, invites to the trial explained that it was part of a process of testing the system to help identify improvements and as such trialists were operating under the assumption that the service

they were using was still unfinished. Even during Wave 2 of the research, when the service had already launched to the public, most trialists still felt that they were using an unfinished site that was still to be improved. Alongside this, some were enthusiastic about their own early access to financial support and opportunity to help shape the childcare service. In all then, trialists are likely to have been more forgiving of issues with the online service than members of the public accessing it as an officially launched national service, with several explicitly raising this issue during interviews.

“They asked us to take part in this trial so that they can improve the system, so it’s fair enough really that they’re still ironing things out... they will need to sort it out before they launch though, people would be up in arms if this was an actual service (Female, Tax-Free Childcare, Trialist)

3. Pre-application understandings and experiences

In this section we explore expectations prior to applying for the childcare service. This includes ingoing understandings of the childcare support (section 3.1), as well as motivations for applying (section 3.2) and any barriers to progress at the pre-application stage for trialists (Section 3.3).

3.1 Ingoing understanding of Tax-Free Childcare

Parents taking part in the trial typically felt that they had a good general understanding of Tax-Free Childcare, which they saw as a new service being offered by the government to help with the costs of the childcare. Much of this was based on communications associated with the trial (see Section 2), but some trialists had also looked online for additional information from trusted sites such as moneysavingexpert.com. Many had also used the Childcare Choices website, which was highlighted in trial communications. This was generally felt to be clear, with the Childcare Calculator a useful tool for working out the benefits of Tax-Free Childcare. Non-trialists had not received the same level of communications but many had done their own research online or read media reports about the support, and only a minority had applied with little understanding of the support.

Participants applying for Tax-Free Childcare generally had good recall that for every £8 paid into an account, the government would top this up with an additional £2 - although this was not always equated with the idea of saving the basic rate of tax. There was also a good understanding of the broad eligibility criteria for the trial, specifically that all parents in the household need to be working and earning above a minimum threshold and under £100,000 annual salary. Most understood that it was not possible to claim both Childcare Vouchers and Tax-Free Childcare. This reflects information provided to trialists as part of their participation in the trial.

However, there was less clarity around some of the more specific features of Tax-Free Childcare. For example, there was confusion for some about how exactly the scheme worked in conjunction with childcare vouchers. Although most understood that using Tax-Free Childcare meant giving up childcare vouchers, there was a lack of clarity around how this worked, such as how long it was possible to claim both forms of support and what the process was for moving from one to the other. This finding was supported by interviews amongst non-trialists, some of whom had given up claiming Childcare Vouchers (CCVs) provided as part of the Employer Supported Childcare programme in order to apply for the service but had then experienced issues around eligibility, and felt that they were missing out financially whilst they waited for these to be resolved. There was also mixed levels of understanding of the rules around tax credits, with some trialists unaware that they couldn't receive both tax credits and Tax-Free Childcare until notified during the application process (see Appendix C).

Parents (trialists) receiving 30 hours free childcare as part of participation in one of the Early Free Entitlement pilot areas were almost all familiar with or already receiving 15 Hours and intuitively drew a link between the two programmes and their functionality. Based on this, 30 hours free childcare was felt to be well understood and viewed positively as a generous extension to support that was already available.

“As far as I was concerned it was really good because it saves me another 15 hours of childcare that I would need to find otherwise.” (Female, 30 hours free childcare & Tax-Free Childcare, Trialist)

Amongst non-trialists though, there was some confusion between how 15 Hours and 30 hours free childcare linked together (and their differences). It was not always immediately understood by parents that there was a difference in eligibility criteria between the two offers, and parents claiming 15 Hours could assume they were therefore also eligible for 30 hours free childcare.

A few further specific areas of misunderstanding emerged amongst non-trialists. Some of these related to the timing of applications, with a lack of clarity around when parents were able to open a 30 Hours account for their child, and confusion about the rules relating to applying for support during maternity leave. In a few isolated cases there was also confusion around whether income from an owned property qualified to contribute towards the minimum income requirements necessary for eligibility.

There was also a general lack of understanding about the joint application process and how the childcare service related to the two forms of support. For example, some non-trialists were unclear that the childcare service could be used to claim 30 hours free childcare, in addition to Tax-Free Childcare. Interviews with non-trialists also revealed some confusion around what support was being applied for using the service, with parents unclear about the joint nature of the application, which could cause confusion when parents thought they were signing up for one form of support but ended up opening an account for another (see Section 4.1) and consequently also lead to inactive accounts and a lack of incentive to reconfirm (see Section 5.5).

3.2 Motivations for signing up to the childcare service

Based on these ongoing understandings, parents who signed up to the childcare service to access Tax-Free Childcare were first and foremost motivated by the potential financial benefits, which they felt would free up money to spend elsewhere and ease pressure on what were often tight monthly budgets. Many participants also cited emotional motivations for wanting to take up support, in the belief that it was fair for the government to be helping working parents. Finally, a minority also mentioned being motivated by greater control over their finances, although for most there was a desire to receive the support with as little input as possible. These motivations were broadly mirrored amongst non-trialists interviewed during Wave 3 of the research. Each of these benefits is explored below.

Financial relief

Parents often claimed to feel financially stretched by childcare costs and were keen for the opportunity to save money. For most, childcare costs were a substantial portion of monthly household spend and so a reduction of 20% was felt to make a difference to overall budgets. Some parents, particularly those with older children, were making less use of childcare but even in these cases small savings were seen as attractive. The savings received from Tax-Free Childcare were generally seen to outweigh those received on Childcare Voucher schemes.

“It’s a nice way of making us feel more comfortable about what we are spending on childcare.” (Male, Tax-Free Childcare, Trialist)

Although these expected financial benefits were greatly appreciated, there was little expectation amongst parents that receiving Tax-Free Childcare would alter their behaviour around work and childcare arrangements. The expected savings were generally understood as a means to free up resources to spend on other things each month but were rarely expected to total enough to consider a change in lifestyle. In a few cases, parents did claim that the savings may help them to take up some additional childcare, but this was generally talked about in relation to easing up pressure on other informal resources, such as grandparents looking after children, rather than to create more time for work.

“This won’t change what we do for work, it’s just nice to have a bit of money to reallocate somewhere else in our lives, it’s a bit of help really” (Male, Tax-Free Childcare, Trialist)

Amongst those signing up to the service to claim 30 Hours support in Dorset or as part of the national roll-out of the childcare service financial motivations were also top-of-mind, with the offer seen as a generous extension of the earlier 15 Hours offer. Although still only a minority, those claiming 30 Hours were also more likely to talk about how the extra hours of support had enabled them to extend hours in part-time or self-employed jobs.

Help for working parents

Underlying these financial benefits, many participants were also positive about the broad eligibility criteria for the service. Given that they were eligible for the support, some trialists mentioned that they felt they should make use of the policy, even if the financial benefit was relatively small. Many participants talked positively about the government providing help to working parents, which they saw as a fair thing to do, especially as they felt government support was typically targeted primarily at low-income or unemployed families. It was perceived to be unusual for the government to offer a policy aimed at such a broad income range, and many considered this to be their first opportunity to receive government help.

“I thought it was fantastic that the government is recognising parents who work full time.” (Female, Tax-Free Childcare, Trialist)

Control over finances

Although less common, some trialists also cited more practical motivations for signing up to the service. This point of view was most common amongst more financially savvy participants, who valued the greater control offered by having an account that they could choose to pay a different amount into each month. These respondents hoped that the account would allow them to more closely monitor their childcare spend and monthly outgoings to meet fluctuating childcare costs. In this respect the service was compared favourably to childcare vouchers, as it allowed participants to decide on a monthly basis what to do with their money rather than it being taken out of the pay packet and was not tied to any one employer.

“It’s a great idea because I control what money goes in. I choose when I want to pay my childcare provider.” (Female, Tax-Free Childcare, Trialist)

Beyond this minority of more financially savvy individuals though, there was usually seen to be little intrinsic value in being able to open a childcare service account. Participants were motivated

foremost by the idea of saving money on their childcare costs and there was little desire in spending time managing this process. As participants were all working parents with children, they were living busy lives and generally keen to minimise any commitments beyond those that they already had. As such, for the majority the ideal was to receive the support with as little expenditure of time or effort as possible.

Better safe than sorry

Parents recruited to the main trial pool from the 30 hours free childcare early implementation areas were already receiving the support prior to signing up to the service. Compared to parents interested in Tax-Free Childcare then, there was little real benefit to signing up to the childcare service and limited motivations for taking part in the trial. Some parents did still complete the sign-up process though, driven by a number of secondary motivators.

The majority of those who had signed up for the trial had done so as part of a 'better safe than sorry' approach. These participants were keen to follow all of the instructions that they had received and concerned about making a mistake or jeopardising their involvement in the trial by not signing up. Others described a 'social' motivation for signing up, following the example of other parents, although with little understanding of why they were completing the process. For both of these groups, there could be some confusion about what to do with the 30 hours free childcare code received after signing up, given that they were already receiving the support.

"I haven't really gone on to the account, apart from when I've been setting it all up. No one's explained why I have to use it or what I do with it." (Female, 30 hours free childcare, Trialist)

3.3 Barriers to starting the sign-up process

Despite the acknowledged benefits of Tax-Free Childcare, many trialists did not sign up to the service immediately after receiving their invitation – and some did not sign up to the service at all. Parents were typically leading busy lives juggling childcare and work commitments and as signing up for the service was not seen as a pressing need, even small barriers could push parents into a state of inertia and inactivity. Common factors acting as barriers to progress at the pre-application stage were those related to timing and uncertainties about the sign up process or some aspect of how the childcare service or Tax-Free Childcare works. A minority also experienced more substantial issues due to a range of personal circumstances or as a result of technical issues, a finding replicated during Wave 3 interviews with non-trialists. Each of these is outlined below.

Timing

For most trialists, there was a gap of between two to four months between the initial pre-registration process into the trial sample and receiving an invite to sign up to the childcare service. During this period many parents claimed to have de-prioritised participation or even to have forgotten their earlier contact with HMRC regarding the childcare service. Finding the time or mental space to commit to the application process was an issue for parents busy with work and childcare commitments.

"I get home from work and I'm exhausted ... anything government related is never easy to apply for." (Female, Tax-Free Childcare, Trialist)

Some trialists also mentioned more specific issues related to timing that had caused them to delay applying. For example, some had decided to wait until their next childcare payment was due and they could receive some kind of benefit. Others had been in communication with their childcare provider and had decided to put off signing up until they were sure that they were also registered.

Uncertainties

Other trialists claimed to have put off starting the application process because of uncertainties about some aspect of how the childcare service works. Although these uncertainties could have been fairly easily resolved, making contact with HMRC was seen as an inconvenience and this could lead to a mental block that reinforced inertia. For example, some claimed to be unaware about whether their childcare provider was signed up to the childcare service. Others claimed to be unsure about their own eligibility, particularly those who had recently changed circumstances in some way. Trialists claiming childcare vouchers could be unsure about which support offered better value and therefore inactive about making the switch. A minority cited uncertainty about how the service works, such as whether they may be able to over claim and become in arrears with HMRC, as a reason for their lack of activity.

“I didn’t know whether my childcare provider was registered and I just never got round to asking them.” (Male, Tax-Free Childcare, Trialist)

Personal circumstances

A minority of trialists experienced more specific barriers based on their personal circumstances. For example, a small number with especially low digital confidence were put off by the need to apply online and felt they needed more support with the childcare service, expressing a preference to complete the application on paper. Participants with limited English language abilities struggled to understand communications about the childcare service, making it difficult for them to begin the process.

Technical difficulties

Technical issues with the childcare service were a barrier for a number of trialists and non-trialists. For example, several trialists claimed to have received an error code when accessing the application and had therefore not been able to progress. Although some had been in contact with HMRC regarding this, others had simply stalled at this stage with inertia setting in to prevent progress. A number of other participants had made mistakes when completing their application and reported that they had not been able to later correct this, even after contact with HMRC.

“It needs to be easier. It’s too hard for working mums to spend time sorting this out.” (Female, Tax-Free Childcare, Trialist)

4. Experiences of the childcare service application

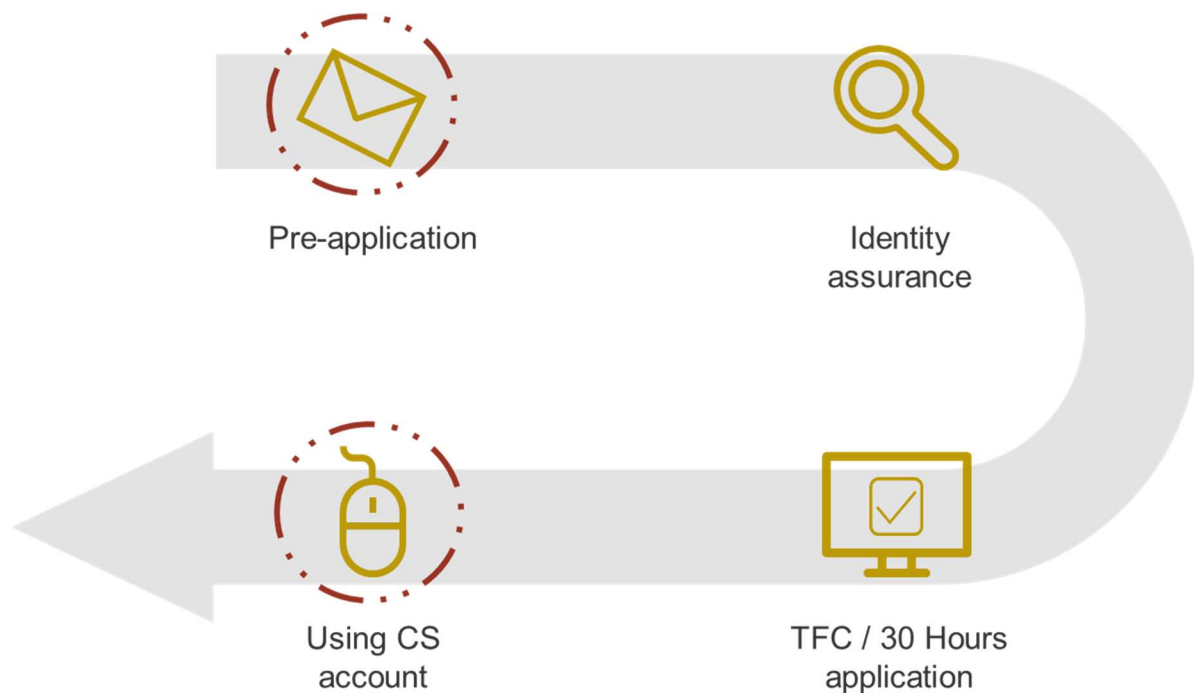
In this section we explore experiences of applying for the childcare service. Following a brief overview of experiences across the application stage (section 4.1), we consider specific aspects of the process, including identity verification and setting up a childcare service account (section 4.2), before focusing in on non-trialists' experiences of eligibility decisions (section 4.3).

4.1 Overview of experiences

For the majority of trialists and non-trialists the experience of signing up to the childcare service was straightforward, with relatively few issues experienced during the ID Verification or actual application stages of the process (see Section 4.2; and case study 1).

In fact, most delays to participants making use of the service occurred on either side of the sign-up process, during the pre-application stage or as participants struggled to actually make use of the service (as illustrated in Figure 4.1 below; and case study 2).

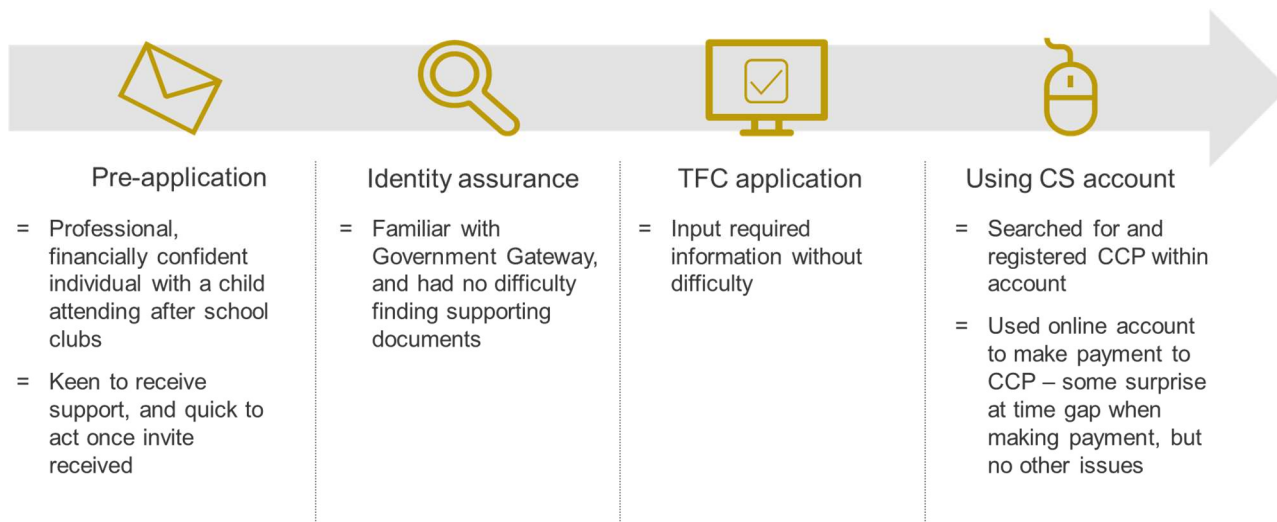
Figure 4.1 Most delays to use of the account occurred before or after the application process



Barriers and delays to signing up to the service were common during the pre-application process (see Section 3.3). Although trialists were strongly motivated to take advantage of the financial benefits offered by the service, there was often a need for some kind of additional prompt in order to trigger them to actually respond to the invite and start the application process. Most commonly this occurred when a natural need to use the service gave it greater salience for parents, such as in anticipation of a childcare provider payment deadline or at the start of a new school term. Others were prompted to begin the sign-up process after being reminded of the service by a proactive childcare provider or coming across it in the media. In some rare cases for 30 hours free childcare, trialists were prompted to begin the sign-up process when hearing about other parents doing so.

Delays to use of the service were also common following the completion of the application process. Here issues could drive calls to support but could also lead some to drop out of the process entirely at least temporarily, with the inconvenience of resolving issues stalling trialists from actually making use of the service. In some cases, childcare providers were not registered with the service, which could lead to considerable frustration as trialists attempted to work with providers to encourage them to sign up (see Section 5.6). In other cases, trialists could experience issues logging into the site following sign-up, having either lost their details or confused the various passwords they had created (see Section 5.2). A number also experienced technical problems at various stages during the process, which again could halt progress as issues were resolved.

Case study 1: Financially savvy Tax-Free Childcare parent was proactive in taking up policy and had no problems with applying or using the account



A number of non-trialists also experienced issues immediately following the sign-up process, as they were unaware that the service could be used to apply for both Tax-Free Childcare and 30 Hours. As such, parents applying for 30 Hours before their child was eligible could be left confused when the application process automatically routed them to a Tax-Free Childcare application. Parents reacted to this confusion in a number of ways. Some assumed that the issue had been caused by either a technical issue or a mistake on their part and contacted HMRC in response. In other cases, parents simply left the account dormant in expectation of attempting to reapply for 30 hours at some later point. In some isolated cases, parents had been worried about the potential future implications of claiming a form of support that they didn't want or understand and contacted HMRC in quite considerable concern to get the account closed

4.2 Experience of specific aspects of the sign-up process

As long as trialists did not encounter specific difficulties causing them to drop out of the process, then the actual experience of signing-up was considered to be relatively straightforward, with most able to complete it within a single sitting. As they were accessing a government service allowing users to access public funds, most trialists expected the sign up process to be relatively thorough and felt the actual experience matched their expectations. However, most did not distinguish between the identity verification and application stages, which could lead some to feeling that the process was repetitive and also prompted confusion about different sets of login details (see Section 5.2)

Identity verification

As most trialists did not already have a Government Gateway account, they had to create one before progressing with the application form. This was generally viewed as part of the application process itself rather than as a separate stage. The process was generally considered relatively clear and easy to understand, taking only around 5-10 minutes to complete for most. Some mentioned how the annotated infographics of documents, for instance of the P60, were a particularly helpful tool when trying to understand what was needed from them.

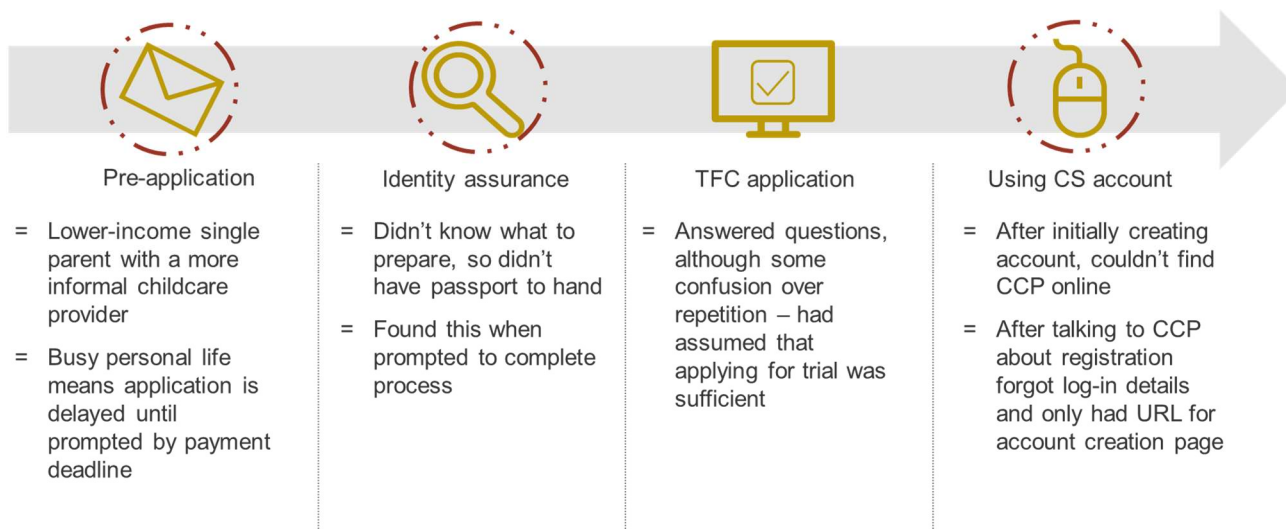
“That bit was really good actually because they had an actual image of a P60 and showed you where to look to get the information you needed.” (Female, Tax-Free Childcare, Trialist)

A few minor inconveniences were raised by some. Most commonly, issues arose from the need to locate relevant documents, such as passports or something containing a National Insurance number. Given this need for documentation, the identity verification process was seen as something that needed to be done at home, rather than at a convenient time ‘on the move’, and many trialists felt that they would have benefited from more pre-warning about what was needed. In addition, although the two-step verification process was appreciated as a robust security message by most, a minority who had not experienced the same on other services could see it as an unnecessary and rather long-winded process.

“The bit I found most frustrating was that if they know you’re going to need something to hand then why hadn’t they told us beforehand” (Female, Tax-Free Childcare, Trialist)

For those that did have Government Gateway accounts, this stage of the process was generally quick and easy. However, a small number struggled to remember passwords and then ended up creating duplicate accounts. This could then cause later confusion about which was the active user ID and concerns that they may be causing errors with their claim by signing in with wrong account.

Case study 2: Tax-Free Childcare parent was slow to take-up service and experienced confusion once childcare service account was set up



Application process

The application process itself was also typically considered to be relatively clear and easy to follow by both trialists and non-trialists, taking under 30 minutes for most. As for the verification process (separate to the identity verification outlined above), inconvenience typically stemmed from the need to locate relevant documentation, although most were still able to do this within a single sitting. For some, it also took extra time to gather their partner's details, particularly National Insurance numbers, as they were not in personal possession of the relevant details or documentation. Overall, some found this process fairly repetitive, as they felt that they had already submitted similar information as part of the identity verification process, which was often not clearly delineated from the application, and when registering for the trial. A number of individuals questioned why HMRC needed to ask for these details at all, as they assumed that they should already be known by HMRC as part of their tax records.

"HMRC knows all of this information about me already. Why don't they just readjust the tax code?" (Male, Tax-Free Childcare, Trialist)

For some, the system timed-out during the process of collecting documentation, which could be frustrating, either forcing participants to restart the process or leading some to drop out of the process altogether for some time. Some of these suggested that they would have liked more warning that the system would time-out, so that they could prepare for this. Related to this, some also suggested that it would be useful if it were possible to save the application at a certain point if there was a need to collect documentation. Others suggested that it would be useful to have a progress bar, to give some indication of how much of the application is remaining and help guide the process.

A number of participants also experienced technical issues during the application stage, which could lead to them dropping out of the process if not resolved. A few of these experienced delays or frozen accounts due to errors in inputting information, which could require quite lengthy communications with helpline staff in order to resolve.

4.3 Experience of eligibility decisions

Wave 3 of the Process Evaluation explored the experience of being notified about eligibility amongst non-trialists belonging to three groups: those that had been found immediately ineligible; those that had been found ineligible after some wait; and those who had been found eligible for the service after some wait.

The majority of those applying for the service were aware of the broad eligibility criteria but there was a lack of clarity around specific details such as:

- the timing at which parents could apply for 30 Hours in relation to the child's age;
- the timing at which parents were able to apply for TFC or 30 Hours when on maternity leave;
- whether income from property qualifies for income eligibility criteria at both a minimum and a maximum level;
- and whether parents need to be UK nationals.

There was also a lack of clarity around whether it was possible to claim childcare vouchers alongside Tax-Free Childcare and whether it was possible for two parents in the same household to open accounts for the same child.

Parents typically expected to receive an eligibility decision immediately after applying, assuming that HMRC would have the details necessary to assess their eligibility on the spot. However, if clearly notified at the point of application, those found eligible for the service were generally prepared to wait around 7-10 days for notification, accepting this as part of a normal process of checks for a government service involved with offering financial support. If they were not clearly notified about the wait period or if there were delays beyond the 7-10 day period though, then this could drive calls to HMRC for clarification on their status. There was an expectation that messages would be delivered via personal email or text and some missed these when they were delivered to them as a secure message to their childcare account, again driving calls to HMRC for clarification.

Applicants were found to be ineligible for the service for a variety of reasons including: not meeting or misunderstanding the core earning eligibility criteria; applying for a child's account when the other parent had already opened one; applying prematurely for 30 Hours; not having access to public funds; being classified as unemployed with earnings from property income only; or because HMRC had incorrect information on file for a parent, such as not recognising a child on their system. Parents were generally less tolerant of the need to wait for notification if ineligible, as they felt that HMRC should have the appropriate details on record.

As the majority of parents who were found ineligible believed they should be eligible for support, there was a strong expectation that communication would clearly state the reason for being found ineligible. As such, many of those found ineligible contacted HMRC for clarification on their case. Helpline support for those contacting HMRC was considered to be unable to address queries in a satisfactory way, with an inconsistent level of service offered depending on who one spoke to. Those who had to make multiple calls to the service were frustrated it seemed that there was no way to track their query and felt they had to explain their case afresh each time. A number of parents didn't call HMRC following their decision and were still not aware whether they had been found ineligible or not. There was very little awareness of the appeals process across the audience.

As detailed in Section 4.1, a number of participants had intended to apply for 30 Hours but had done so before their child was eligible and had therefore been re-routed to open a Tax-Free Childcare account. This created considerable confusion amongst parents who did not understand why they had been offered an account for something other than what they thought they had applied for. This confusion arose from misunderstandings about the joint nature of the application process, and a number of parents specifically mentioned how their confusion had been heightened by the fact that they had specifically clicked on a link to apply for 30 Hours on the Childcare Choices website.

A number of applicants who had originally been found ineligible for the service had eventually been found eligible after further support from HMRC. In these cases, the original ineligibility decisions arose for a number of reasons including cases where a non-British parent was initially judged ineligible for government support; one in which HMRC records appear to have been out-of-date and did not contain the details for an eligible child; and those in which technical issues had impacted the application, such as the system incorrectly stating a UTR number as being incorrect. As overturning the original decision often involved multiple calls to HMRC, those with these journeys tended to be left with a poor impression of HMRC, even after their case was resolved.

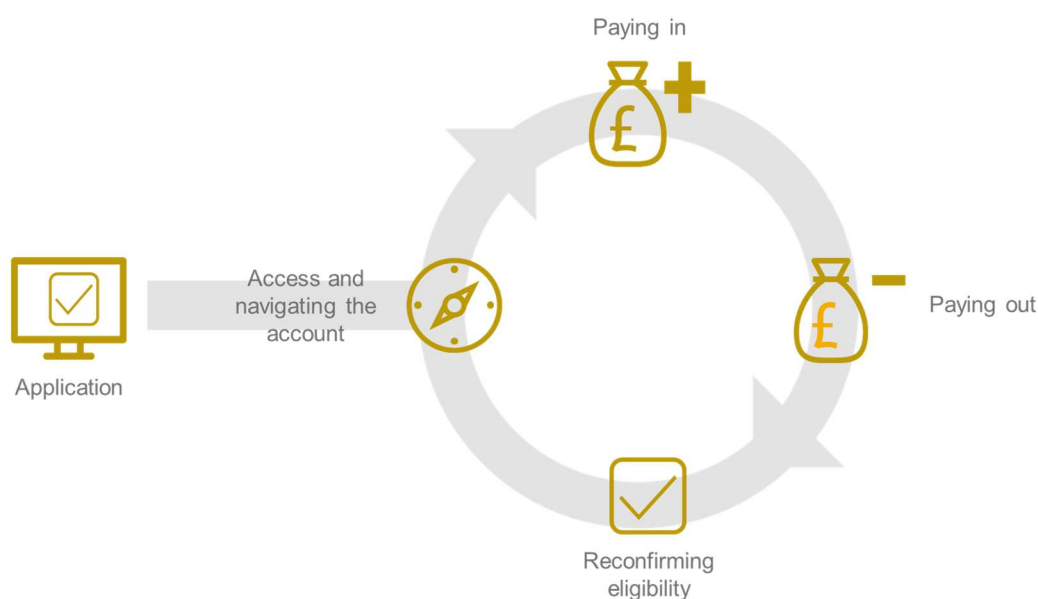
5. Experiences of using the childcare service

In this section we outline experiences of navigating and using the childcare service. Following a brief overview of experiences with the site (section 5.1), we focus on specific aspects of management, including accessing (section 5.2) and navigating (section 5.3) the account. We then explore the use of the service to claim Tax-Free Childcare (section 5.4), including setting up a provider and making payments into and out of the account. In Section 5.5 we focus on the process of reconfirmation, particularly amongst non-trialists) and in Section 5.6 we consider interactions with childcare providers in relation to the childcare service.

5.1 Overview of experiences

Once trialists had successfully signed up to and begun to use the childcare service, then account management generally followed a circular path, with participants logging in each month to pay money into and out of their account (see Figure 5.1). In effect, the account was used by most as a way to transfer cash to their childcare provider and there was seen to be little value in storing money in accounts. Trialists aimed to pay in and out of their account the exact amount needed to cover their particular child costs each month. During Wave 2, we encountered fewer issues with account login, mainly as parents had identified strategies to access their account, although there were still concerns about the service having no clear login page.

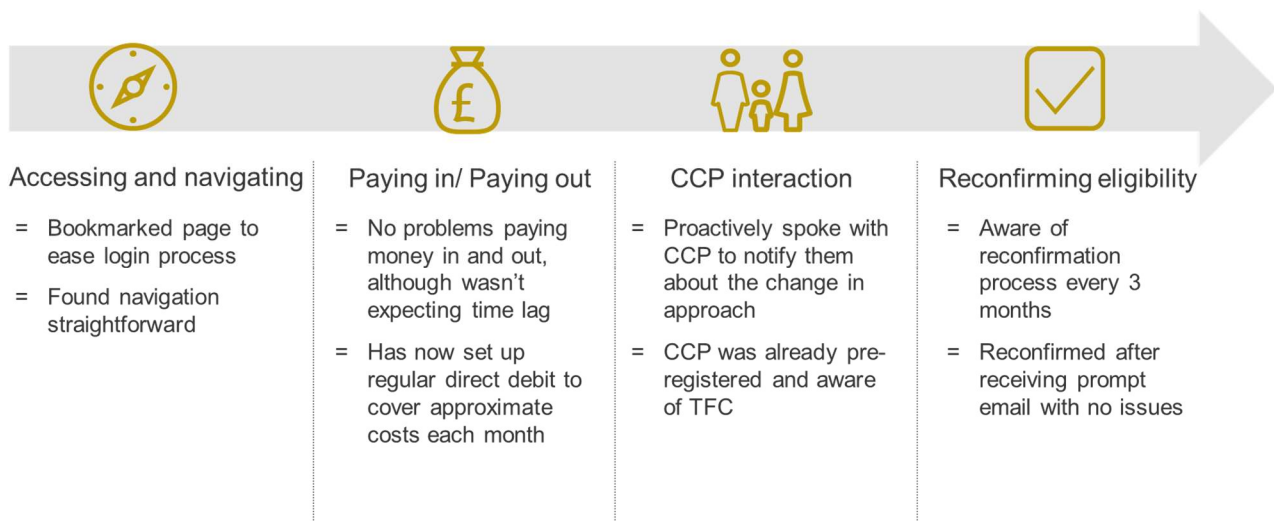
Figure 5.1: Use of the childcare service followed a circular path



Most trialists were able to work out how to register their childcare provider, pay money into the account and make payments out of the account after some time on the site, although the layout and design was typically felt to be quite clunky, with little structure to guide navigation. Even once they were comfortable with using the service, there were considerable misgivings about the way in which the payment mechanic worked. There was an expectation, formed from the use of online banking services, that money paid into and out of the account would clear instantly. As such, the fact that there was a need to log into the account on separate occasions in order to make payments was seen as a considerable inconvenience and created issues with meeting payment deadlines for some (see Section 5.4).

In all, this aspect of the service made it feel considerably less convenient than paying childcare providers directly. These attitudes were replicated amongst non-trialists in Wave 3 who had been found eligible and started using the service. Despite these issues, both trialists and non-trialists seemed prepared to tolerate this in order to benefit from the financial support (see Case Study 3). It is worth noting though that trialists generally seemed happier to put their experiences down to ‘teething issues’ with the site, which they still considered to be in trial mode, than non-trialists, who had relatively higher expectations and were less forgiving of what they saw as design flaws in the way the service works.

Case study 3: Proactive and technically confident parent encountered minor issues but accepted these as ‘teething problems’ for new service



In the remainder of this chapter, we outline in more depth experiences of using the service, drawing attention to some of the key issues encountered at each stage of account use and management.

5.2 Accessing the account

Views about accessing their childcare service account focused on two areas – the channel or device used and the login process. Issues with logging into the site in particular were replicated in

interviews with non-trialists who had been found eligible for the service. Each of these topics is considered below.

Channel

The majority of trialists were accessing the site via their desktop or laptop computer, with only a minority using tablets or mobiles on a regular basis. Most trialists had applied for the childcare service on their PC and so found it most convenient to continue using the site in this way as they had their username and password stored there. Some were using tablets or mobiles to access the site on a regular basis because they found it a more convenient channel and/or had their login details and password stored there. Many of those accessing the service in this way felt that it was not optimised for these channels, with forms not fitting correctly to the screen and navigation in general feeling awkward. Some also felt that SMS identity authentication was inconvenient on a mobile as it required switching between screens.

Regardless of which channel they were using, there was a strong preference for a dedicated mobile application to access the service when the idea was raised with trialists. This seemed to be partly driven by experiences of accessing other online services, such as banking facilities, via apps. As such, expectations were generally quite high with hopes that using an app would help to resolve login issues, simplify navigation and generally improve access on the go.

"An app would be brilliant...It's just the way society is going, and I wouldn't have to go through the laborious task of going through seven pages. An app would be more convenient and quicker." (Female, Tax-Free Childcare, Trialist)

Logging into the account

Difficulties with logging into the account came up repeatedly across the research. Both trialists and non-trialists consistently reported difficulties logging into the service once they had set up their account. Parents had often developed their own strategies to help deal with these difficulties, but there was a universal sense that the current login system was not well designed and did not have the user in mind. It is worth noting that during the trial and public rollout of the service, to ensure that only those invited to use the service were able to apply/ access support, there were additional screens added to the service. These were removed once public rollout was completed but may have impacted upon parents perceptions of the login.

The main concern reported by parents was that there was no clear login page. Most parents reported this causing confusion at some point in their journey and a significant number had resorted to calling the childcare service helpline for guidance. Based on expectations from using other online services, parents expected an accessible and distinct login page or option, from which they could access the site immediately after inputting their login ID and password.

Parents felt that they effectively had to start the signup process afresh each time that they wanted to login, which was considered to be a confusing design flaw. Most parents had eventually discovered how to work around this, and many had bookmarked pages later in the process in order to help speed up the process. However, some parents had had to call the helpline in order to work out how to login and a small number had effectively dropped out of using the service after failing to understand the login process.

“It was the most frustrating process at the time... there was nowhere obvious to sign into the account. My colleague even told me to re-register at one point” (Female, Tax-Free Childcare, Trialist)

A series of other difficulties were reported in relation to login details and passwords. The identity verification and application stages were often not strongly distinguished for trialists, and many early trialists confused by the fact that they had received two different set of login details when signing up, especially as they were in a similar format. Again, this confusion could stall progress from use of the site and led to a minority dropping out of the process as they were unable to access their account⁶.

“Logging into the account was a pain. I already had a Gateway ID but I had no idea what ID or password to use. It was a faff” (Female, Tax-Free Childcare, Trialist)

Amongst the majority who were able to access the account, the format of login IDs was considered to be inconvenient and difficult to remember. There was an expectation that there should be a way to change IDs to something more personal and more memorable. Given that it was not possible to do so, there were many cases in which details were mislaid or forgotten, with no obvious way available to retrieve or claim new login details. In order to manage the login process, many participants had written down their IDs / passwords and others had saved them on their PC. This difficulty remembering login details, meant that parents could feel locked into using the service from the one device on which they were saved..

5.3 Navigating the account

During Wave 1 of the research, a number of trialists reported difficulties with navigating the site having successfully logged into the childcare service. These parents felt that it was not obvious where to go to add childcare providers or to begin making payments and expected a more linear process, with guidance about next steps. Given that they were lacking a clear overview of how the mechanism by which the account worked, many were confused when first logging into the site by the lack of indication about exactly what to do or what menu item to click on next. A minority of parents dropped out of using the site at this stage due to uncertainty about how to proceed.

“I’ve managed to create an account but it’s not clear what to do next... I expect I’ll receive a letter from HMRC to tell me what to do next. So I’m leaving it be for now.” (Female, Tax-Free Childcare, Trialist)

Site navigation presented fewer issues with preventing use of the site following Wave 1 of the research and most parents were able work out how to use the main features of the service, such as setting up childcare providers and making payments into and out of the account, once they had begun to actively explore. However, some parents with less technical confidence felt uneasy trying to navigate the site alone and needed to contact HMRC for direction before proceeding. More generally too, trialists felt that the site was poorly laid out and not designed with the user in mind, with no clear user interface to guide parents through the process. This lack of clear guidance within the service design meant that important aspects of how it works could be missed, with for example many failing to realise that payments into the account would take time to clear before being recognised in the system (see section 5.2, and case study 4).

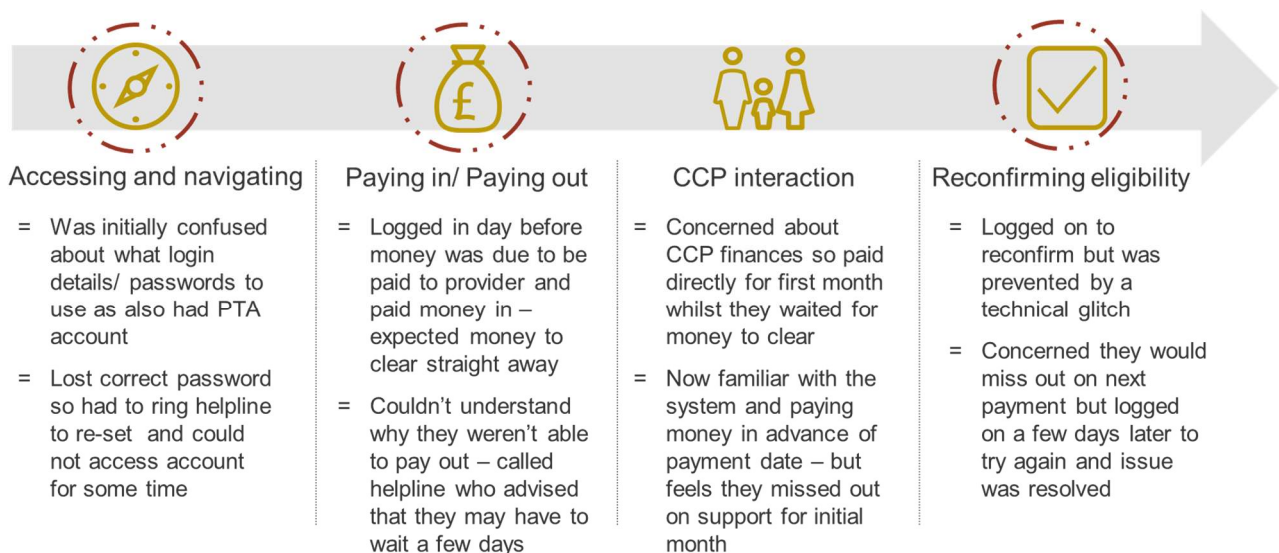
⁶ Parents applying for the service since roll-out no longer receive two sets of login details

"I would expect more online signposting such as click on X to get Y, or 'you've completed step 1, now you're on step 2', so you know where you're up to in the process" (Female, Tax-Free Childcare, Trialist)

Even once they had worked out how to navigate the site, a number of trialists reported issues specifically with trying to locate childcare providers. This could be due to a number of issues, such as because they were registered under unfamiliar names or had similar names to other childcare providers. The search function also caused issues for some, as it required both the childcare provider name and Ofsted registration number. This was not clear to most participants who struggled to understand why they couldn't find their provider and even when explained was felt to be troublesome, not meeting expectations for a search feature.

"It [CCP list] came up with massive alphabetical list, which didn't seem to work. It was a right pain. The browser was unusable. Why can't they just make the list easily searchable?" (Female, Tax-Free Childcare, Trialist)

Case study 4: Parent who had difficulties logging into the site and experienced a delay in paying into the account made a payment to the CCP directly



5.4 Paying in and out of the account

Overview of account usage

Most trialists – and active user non-trialists interviewed during Wave 3 - were using the service as a way to transfer childcare fees on a monthly basis, logging on each time to manually make payments in and out of the account. This approach offered parents a feeling of control over their money, allowing them to adjust payment amounts each month to meet fluctuating childcare costs. Only a minority of parents with more consistent needs had automated the payment process by setting up a standing order, although others felt they may do this once they had become more familiar with the system.

There was not generally seen to be any value to storing money in the account, with the majority of participants preferring to keep money in their own bank account, which they felt offered both greater flexibility and better rates of interest. A substantial number of parents were only just managing to meet their outgoings each month and did not have the means to pay money into their account in advance anyway. In addition to this, many parents were not aware that they could take money back out of the account once it had been paid in.

“I don’t want to put money in there if I can’t get it out. It will be just sitting there without getting any interest” (Female, Tax-Free Childcare, Trialist)

Only in a few rare cases had parents paid more money into their account than they needed to directly meet upcoming childcare costs. Here they also explained their behaviour as a way of keeping control of household budgets by mentally accounting for childcare costs in advance.

Perceived issues with functionality

Expectations for the functionality of the account payment system were set by online banking, and parents assumed that transactions would be instantaneous and accompanied by notifications to explain how long they would take or to confirm that they had been successful. There was a mismatch between these expectations and actual experiences, as parents found that they needed to log-in multiple times for each payment as funds did not clear immediately and they also did not receive notifications to let them know when payments had cleared.

Given these expectations and the way that the service was being used as a way to make payments each month, parents were typically frustrated by several elements of the way the payment process worked, which was considered considerably more inconvenient than paying directly from one’s own bank account. Frustrations arose particularly from the need for multiple logins to make each payment caused by the need to wait for funds to clear, which ran contrary to parents’ underlying desire to minimise the time spent using the service and paying their provider.

Frustrations were reinforced by a perceived lack of any clear notification process for when money had cleared, meaning that parents had to check manually with no assurance that they would be able to continue their transaction at that time. Trialists reported a range of different waiting periods, from 24 hours to a few days, and there was considerable frustration at the fact that guidance was not clearer and perceived lack of consistency.

Late and missed payments

Given their ingoing expectations and initial lack of understanding about how the system worked, many trialists experienced late payments when first using the account, a finding replicated in a number of interviews with non-trialists who were using the service. In some cases, parents had not realised that money would take time to transfer into the account and had therefore only used the service to transfer money into their account on or just before their childcare provider payment deadline, leaving insufficient time for funds to clear into and out of their account (see case study 4). In other cases, although payments into the account had been made in advance of the payment deadline, parents were unaware that it would take time for the money to reach their provider and so had transferred money out of their account too late for it to reach their provider prior to the deadline.

The multi-stage payment process also created a more serious issue for a minority of trialists and non-trialist who were just about managing to pay their childcare costs each month. In these cases,

payment deadlines often fell at the start of the month soon after wages had cleared, leaving insufficient time to transfer money to childcare providers within payment deadlines. Some parents had reached agreements with their childcare provider about these late payments but in rare cases parents had decided not to use the childcare service in order to ensure they were paying on time.

“It’s a bit of a pain to have to wait a couple of days and the childminder has to wait about two days more, after the last day of the month, to get paid” (Female, Tax-Free Childcare, Trialist)

A number of other cases arose in which payments to childcare providers were missed due to a misunderstanding about how the service worked. Some parents had tried to make payments out of the system before money had cleared into their account. In these cases, parents claimed not to have been notified that funds had not yet cleared into their account and so were under the impression that they had successfully made a payment until notified by their provider. Other parents had set up automatic payments to leave their account on weekends or bank holidays and had not been notified that this was not possible or received a notification that payment hadn’t occurred on that specific occasion. A small number of parents had assumed that payment out of the account was automatic and had not actually set up a payment out of their account until notified by their childcare provider that invoices had not been paid. Finally, some experienced errors with payment due to more isolated technical issues, such as the payment function failing to work from a specific account.

Most childcare providers were understanding about late payments due to the service’s recent launch, an awareness of ongoing technical issues from contact with parents and their own experiences with trying to use the service. As such most were prepared to accept late payments without charging any penalties. However, parents themselves could still feel uneasy about making their providers wait, especially those with smaller nurseries or childminders, who they felt relied on regular timely cash flows in order to operate. In cases in which parents thought they had made payments but later discovered that they had not due to misunderstandings about the payment mechanics, most chose to then pay directly rather than try again through the system to avoid further delays. This left them feeling that they felt they had effectively missed out on the support for that month. In a few rare cases parents had actually been charged late fees due to misunderstandings about how long money would take to transfer, generally by larger chain nurseries with less flexible policies, causing considerable frustration.

Specific experiences of paying into the account

Once they had understood that money took some time to transfer into and out of the account, the majority of trialists experienced few major issues with paying money into their account. However, a few other more specific issues and suggestions for improvements did emerge across the course of the research.

First, some reported difficulties calculating how much to pay into their account in order to meet their childcare costs for that month. Parents typically wished to pay in only what was needed each month but could struggle to calculate top-up amounts and therefore how much they actually needed to pay in. As such, several parents requested that the service include a calculator, allowing users to easily calculate top-up amounts and prevent over or under payments.

“I literally just top it up by a fairly random amount each time because I have no idea what amount is then going to be added to the account” (Female, Tax-Free Childcare, Trialist)

A minority also mentioned some concerns with the Worldpay interface. Some pointed out that they considered it strange that a government website should reroute to a third-party commercial site in order to transfer the payment and questioned why government HMRC were not able to process payments themselves. For a very small number, being directed to a third-party site raised alarm bells and prompted a quick online check for reassurance that this was not part of a scam.

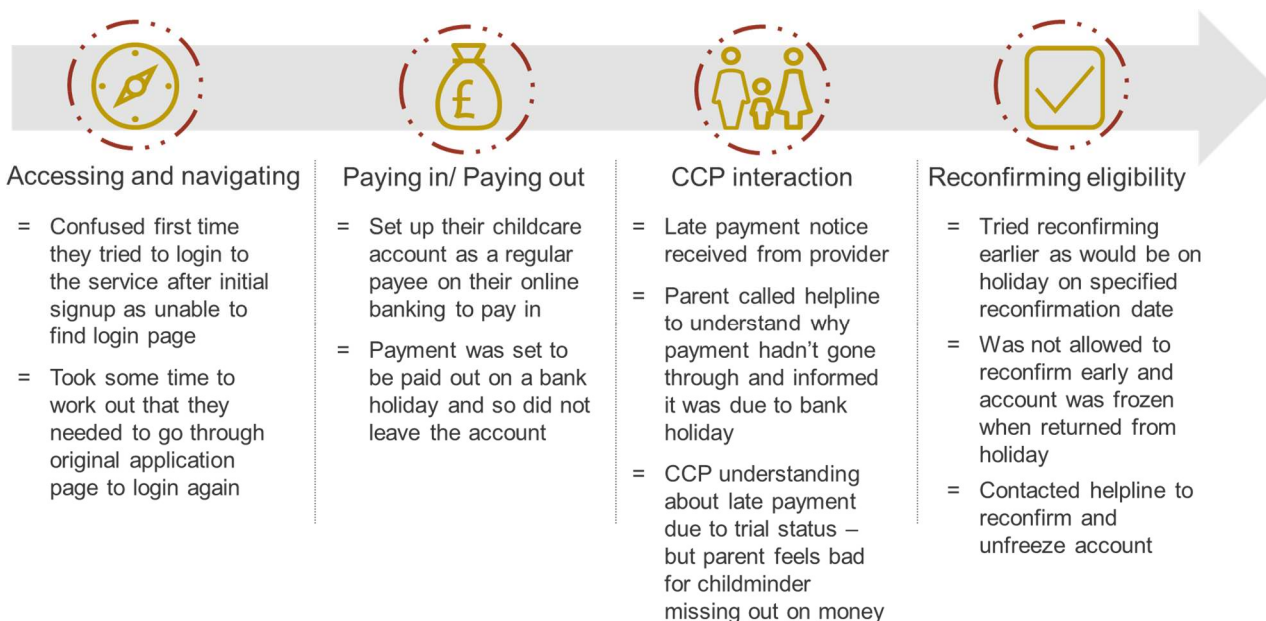
Specific experiences of paying out of the account

As for paying money out of the account, the process of making payments to childcare providers was generally seen to be relatively straightforward outside of issues around timing. Most suggestions for improvements therefore related to clearer guidance around when payments were likely to reach childcare providers so that parents could plan around payment deadlines. To help them to understand whether they had met their payment deadline without having to check with their childcare provider, many parents requested greater upfront signposting on the site about payment periods. Some also expected to receive a message to confirm when money had been received by their childcare provider..

“There's nothing to indicate how long it will be for them [CCP] to receive it. That's really a big thing, because I don't think it's acceptable for payments to be late.” (Female, Tax-Free Childcare, Trialist)

In terms of setting up ongoing payments, parents who were making use of this feature suggested that it would be helpful if they could set up a specific day for paying out (such as the first Monday of every month) rather than date (such as the 1st of each month). This was seen to be more in line with the way that payment deadlines were structured and wages were paid. Setting up regular payments for a weekday was also seen to be a solution amongst those who had experienced missed payments due to automatic payment dates falling on a bank holiday (see case study 5).

Case study 5: Parent who experienced a payment delay but was not charged late fees due to an understanding childminder



5.5 Reconfirmation

Trialists generally understood the need to reconfirm their details every two to three months and expected the process to involve putting in some details about their situation in the same way as when applying. Most of those who had reconfirmed had received an email prompt to check their secure inbox for a message. Others had discovered the message directly when logging onto the site. Those that had been through the process generally found it to be fairly straightforward.

“You have a secure message on your account, which I checked and found a prompt to ‘reconfirm eligibility’” (Female, Tax-Free Childcare, Trialist)

However, given the emphasis on reconfirmation in communications received by trialists as part of registering for the trial, their views are not likely to be representative of those who signed up to use the service since its national rollout. Amongst non-trialists interviewed specifically about the reconfirmation process, most had not picked up the need to reconfirm during the signup process. Given this, most only became aware of the need to reconfirm when prompted by an email reminder. Even then, several seem to have missed initial reminder emails, only picking up on later warnings to reconfirm that were framed around the need to take immediate action or risk losing the support. This meant that messages could come across as rather abrupt, with a punitive rather than supportive tone. Despite this, many claimed not to be aware that failing to reconfirm would lead to them becoming unable to claim support.

There were also some interesting differences around reconfirmation behaviour depending on whether non-trialists were using the service to claim Tax-Free Childcare or 30 Hours. Those claiming 30 Hours tended to be better informed about the need to reconfirm, with many having been informed by their childcare provider. However, beyond initially signing up to receive their 30 Hours code, these parents had low levels of engagement with the service, and many assumed that they would only need to reconfirm on a termly rather than quarterly basis. There was also little understanding that failing to reconfirm might jeopardise their claim for support.

Amongst parents who had signed up for the service to use Tax-Free Childcare there was generally slightly lower levels of awareness about the need to confirm. In addition to this, many of those who had not reconfirmed within the reconfirmation period were not actively using the site, either because they found it too complicated or time-consuming or as they had actually intended to sign up for 30 Hours (see Section 4.1), and therefore saw no need to reconfirm, even after receiving notifications. Despite these issues with understanding, most trialists and non-trialists accepted the need to reconfirm and felt that it was reasonable for a service from which they were claiming public support. However, a few questioned why HMRC were not able to do this automatically, given that they were in possession of individual’s tax records. A larger number of parents took issue with the frequency with which they were required to reconfirm. Quarterly reconfirmation was felt to be too frequent, as it was felt to be unlikely that situations would change that often. Those who were self-employed took particular issue with this, as they felt it was unrealistic for them to make an accurate assessment of their annual salary every three months.

“It was straightforward. Fine. There was a bit of eye rolling...it seemed like I'd only just joined the scheme, does it really need to be every three months?” (Female, Tax-Free Childcare, Trialist)

Amongst some of those parents who had already reconfirmed, there was a desire for the reconfirmation period to allow for a bit more flexibility, to take account of holiday periods for example. Some parents also requested a little more flexibility to allow them to reconfirm at times

when they are already logged into the service to make payments, even if this is a little before the start of the window. As at other times, technical glitches had prevented reconfirmation for some, which in rare cases had left individuals unable to use the service until the issue was resolved.

There was generally an expectation that parents would be prompted to reconfirm by email and that this message would ideally directly mention the need to reconfirm, rather than simply direct to a message in the service's secure inbox. Some also mentioned a clear preference for text message prompts, as they saw this as a more direct channel and felt that they would be more likely to respond. In terms of timing, some parents suggested that notification a month before the need to reconfirm was too early, and unlikely to provide the urgency to act in amongst busy lives juggling work and family. As such, parents could suggest that prompts were provided about 2 weeks and then again 2-3 days prior to the reconfirmation window closing.

5.6 Interactions with childcare providers

Parent interactions with childcare providers in relation to the childcare service were generally positive. Amongst both trialists and non-trialists, most providers were signed up to receive Tax-Free Childcare. Given the pre-existing relationship, providers were also often seen as a useful source of information about the service, offering a more convenient first port-of-call than contacting HMRC support. As outlined in Section 5.4, childcare providers were also generally flexible about charging penalty fees when they experienced late payments due to trialists unfamiliarity with the time required to transfer payments.

However, there were a number of cases amongst both trialists and non-trialists in which providers had not signed up to receive TFC, which could cause considerable inconvenience. These cases usually involved after-school or breakfast clubs, who were perceived by parents to be less informed and less interested in the service than either childminders or private nurseries. When they were not already signed up, providers were generally responsive to the idea of doing so once prompted by parents, but the process could take some time. In a few cases, childcare providers were not pro-active at reacting to requests from parents, who then had to take the lead in guiding their childcare provider through the process. In all these cases when providers were not signed up, parents felt that they were missing out on the support whilst trying to resolve the situation, which could lead to considerable frustration with the service and HMRC.

6. Guidance and support

In this section we explore experiences of guidance and support in relation to the childcare service. In particular, we focus on support needs when accessing and using the childcare service (section 6.1), then explore channel preferences for guidance and support (Section 6.2) followed by a review of experiences of receiving support from HMRC (Section 6.3).

6.1 Support needs

For trialists, support needs arose throughout the process and many made contact with HMRC at some point during the trial. Some common issues driving calls to HMRC included:

- Trying to resolve issues around how to log in to the service
- Requesting new login details after losing the originals or becoming confused about the different sets of passwords received
- Issues about being unable to find childcare providers
- Confusion about whether payments have left the account or clarification about how long payments will take.

Almost all non-trialists interviewed during Wave 3 of the process evaluation, who had been recruited as they had either been found ineligible or had to wait for a decision about their ineligibility for the service, had contacted HMRC for clarification about their case. Amongst those who had been found eligible for the service, many also contacted HMRC about the other issues listed above for trialists.

In addition to these issues with site functionality, almost all parents taking part in the trial had experienced some kind of technical problems during their use of the service. In many cases this was part of a whole system outage, with trialists unable to access the site when trying to log on. In most of these cases trialists did not contact support but just waited and tried to log on to the site again later. However, even then, if this occurred at a time when a parent wished to make a payment, in order to meet a payment deadline for example, then it could still lead to considerable frustration.

“I know I've logged in quite a few times and it comes up with an error messages saying we're having technical difficulties, and it's always towards the end of a month when everyone's using it” (Female, Tax-Free Childcare, Trialist)

Many other trialists and some non-trialists had also experienced more specific technical glitches at various stages of the process, including during the sign up process, when trying to add childcare providers, when trying to pay money into or out of the account and when reconfirming. Reactions varied depending on the severity of the error. In most cases, individuals would initially try to resolve issues themselves by logging out of the service and trying whatever they were doing again. If this didn't work then respondents would typically try to contact HMRC for support (see Section 6.2).

In a small number of cases, glitches had prevented trialists from making payments on time, for example when there was an error with money leaving the account. This could lead to frustration as it meant that the parent felt that they had effectively missed out on receiving the support. In some rare cases, parents were locked out of their accounts for several months and left without access to money that they had already paid into the account and unable to make payments to their childcare provider.

6.2 Support expectations and preferences

Some clear patterns emerged in the ways that trialists and non-trialists accessed support and their initial expectations of what they would receive. In most cases, they would look to online guidance as an initial source of information, especially at earlier stages of the process when they felt they needed some help through the process. When online information was not able to address their concerns, or if they had more specific queries, parents would typically contact the childcare service helpline that they expected would offer more responsive support tailored to their specific concerns.

Online guidance was seen as a convenient reference point for general information on how to use the site or to troubleshoot problems – it was seen as a quick and easy way to get some further information. Parents would generally look for information via a search engine and then click through either to the GOV.UK website or another trusted website, such as moneysavingexpert.com, mumsnet or some kind of media report. Parents tended to search for information more during the initial stages of their experiences, particularly during the application process, but could also search for information online as a first-port-of-call when experiencing more specific issues. However, guidance was not seen as suited for more specific queries and some stated that they would like to be able to access online chat support. They felt that online chat might offer flexible and tailored advice but via a more convenient channel than via a helpline.

“It’s online all the time. You can access it 24/7, get the advice that you need and you’re not put on hold for ages” (Female, Tax-Free Childcare, Trialist)

If parents encountered more specific or serious problems, such as troubles with payments, difficulties logging in, or a technical issue, then they would contact HMRC by phone. Most contacted the specific childcare service helpline, after finding the number online or – for trialists - in pre-trial communications for HMRC.

They expected that the telephone support would offer responsive advice catered to a participant’s particular situation. Although contacting the helpline was expected to be time-consuming, there was an expectation that support staff would be able to resolve issues over the course of one call. Therefore, parents were willing to take the time to call if they felt that this was the only way to resolve their issue.

“When you’re actually talking to someone on the phone, you can actually explain your issue and then if you don’t understand what they’re saying then you can ask them to explain... it saves a lot of back and forth to have someone there to actually sort it out for you then and there” (Female, Tax-Free Childcare, Trialist)

6.3 Experiences of support

Regardless of which channel they used, both trialists and non-trialists interviewed were generally dissatisfied with guidance and support received, which was not felt to effectively or efficiently address the issues they faced.

Online childcare service guidance was felt to be difficult to navigate, text heavy and difficult to read, especially when viewing on mobile. The information that it offered was seen to focus on the scheme itself and who was eligible, rather than the actual process of applying and using the service. Some suggested the need for a far more visual style, with annotated images and flow charts to guide parents through the process step-by-step and make it very clear what they need to do at each stage. There was felt to be a particular need for this as the site itself was seen to be poorly laid out with little to guide parents through the process in the user experience.

Some parents also criticised the lack of any clear FAQs or troubleshooting sections amongst childcare service guidance, especially as it was clear for some that other parents were experiencing similar issues due to media reports. Given the lack of childcare service guidance around these issues, many turned to third-party sites instead, but felt that HMRC should really be best placed to offer this information. More generally, parents wanted information to be laid out in a more systematic way with the user in mind, with clearer prompts and requiring less clicks to reach relevant information. If online guidance were improved then this could help to reduce calls to the helpline.

“The people that make these sites, they know people are short for time. You just need the information that you want to be readily accessible without having to sift through so much” (Female, Tax-Free Childcare, Trialist)

Parents were also generally dissatisfied with their experiences of contacting the childcare service helpline. The quality of the support provided was seen to be highly variable across different staff but on most occasions parents felt that they were unable to clearly or effectively resolve queries. Although staff were generally considered to be well mannered, they were often seen to lack a good understanding of the system and were felt to be in need of more training. They were also not considered to have the power or expertise to resolve technical issues. In cases in which there had been issues with payments and parents had been unable to access money in their account, there was real concern that staff did not seem to be able to do anything to address this and grant parents access to their own money.

“Clearly staff aren't trained properly in what it does, how it works, what they need to do if something's not working, what they're allowed to do, what they're not allowed to do.” (Female, Tax-Free Childcare Only, Non-trialist)

Specific issues also arose for those contacting support on multiple occasions, who felt like they needed to explain their issue to a new member of staff from the beginning each time and would receive different advice or follow-up depending on who they spoke to. As such, some suggested the need for a case number that parents could use to track their issues. In a number of cases, helpline staff promised to call parents back regarding a specific issue but then made no further contact, creating very high levels of dissatisfaction.

“It's like you just go through different things and nobody really understands what the other people are doing. It doesn't seem to be set up very well.” (Female, Tax-Free Childcare Only, Trialist)

Amongst non-trialists who disputed HMRC's decision regarding their eligibility, information on the appeals process was felt to be vague and difficult to access. Most only became aware of the appeals process after already making contact with HMRC via the helpline and were not aware that details were included in the original message regarding their eligibility decision or that they could access this via their childcare account even though they had been found

ineligible for TFC In some cases, helpline staff advised parents to ask their partner to try opening an account rather than appealing, as the process took a long time to resolve.

“The email that HMRC sent after the application did not have a number to contact and query the decision and it did not highlight the appeals process.” (Female, Tax-Free Childcare Only, Non-trialist)

7. Conclusions and implications

In this section we draw some conclusions relating to the overall way that trialists understood the site and any indications of impacts on behaviour (Section 7.1) before drawing out a range of implications for improving the experiences of users of the service (Section 7.2).

7.1 Conclusions

Across the course of the trial all parents experienced some kind of technical issue and most experienced more specific difficulties with using the site. Even amongst those experiencing no specific issues, there was a feeling that the site layout and user interface could be improved. The design of the payment system in particular was felt to be inconvenient, with the time lags experienced during the course of payments and need for multiple logins failing to meet expectations for an online service and making use of the service considerably more time consuming than paying directly. However, despite this most parents were willing to persevere with their use of the site due to positive perceptions of the Tax-Free Childcare policy itself. Continued use of the service was seen to be worthwhile given the financial benefits and savings that it was able to offer on childcare costs. As they were part of a trial, many participants were also willing to put many of the issues that they had experienced down to 'teething problems' that they expected the site to improve as the service develops. In this respect, trialists may be considerably more forgiving than the general population, who will be expecting a finished service.

"The issues have been annoying but at the end of the day I'm happy to have the support... and this is a trial so you do expect some problems, they just need to make sure that they sort them out for when it's actually available to all" (Female, Tax-Free Childcare, Trialist)

The policy was almost universally supported and seen to be fair, providing support for working parents and not just those on low-income or experiencing unemployment. Tax-Free Childcare was also considered to be fairer and more flexible than childcare vouchers, as it is available to all eligible parents independent of their employer and allows amounts contributed to vary each month according to childcare costs. In terms of impacts, parents were very appreciative of the financial savings that they were able to make claiming the Tax-Free Childcare, which many felt would significantly reduce the burden on their monthly household budgets. However, there were fewer indications that support claimed through the service would lead to shifts in childcare arrangements or working patterns. Support was mostly seen as way to maintain current arrangements in a more affordable way, freeing up money to use for things other than childcare. A minority also claimed that it may allow them to very slightly increase the amount of childcare they were paying for and reduce their dependence on more informal childcare arrangements such as grandparents. The support received was perceived to be too minimal to have much impact on working arrangements though and no participants felt it would have a significant impact on how their working hours.

"It's free money, which is great after all we've put into the system! I like to see the Government adding money into the account. It means we feel under considerably less pressure each month" (Female, Tax-Free Childcare, Trialist)

7.2 Implications

Findings from this evaluation suggest a number of ways that the experience of the service could be improved for users, relating to site navigation, the payment system and support offered by HMRC.

Site Navigation and login

There was a strong expectation from the use of online services that the service should have a dedicated login page that users can bookmark and use to quickly access the service. This would help to improve the user experience and help give the service a more finished and professional feel, as at the moment many trialists saw this as an error or oversight on behalf of HMRC. Related to this, trialists also wanted to be able to change their login details to something more memorable in order to make access more convenient and felt that their details would still be safe in this situation due to the use of two-step authentication.

“There were several steps before being asked for your Government Gateway code. That was my biggest bug bear. None of it was very intuitive, it was like being asked to sign up again. Not like any other registration.” (Female, Tax-Free Childcare, Trialist)

An interface designed more with the needs of the user in mind and clearer signposting around the service could also improve the customer experience and help to reduce the volume of calls to HMRC for guidance. Specifically, trialists wanted to see more signposting through the application and account manage processes, clearly indicating at each stage what needs to be done next. There was a sense that the site design could be simplified to draw more attention to the key features or arrange them in an order that aligns with the way that they are used. Related to this, some suggested the inclusion of a progress bar to indicate how much progression has been made through the application and prevent drop-outs during the process.

“I would expect more online signposting such as click on X to get Y, or 'you've completed step 1, now you're on step 2', so you know where you're up to in the process” (Female, Tax-Free Childcare, Trialist)

In terms of channel, those accessing the site via for their mobile felt that the site needed further optimisation to ensure that it was easy to navigate on smaller screen. The majority of customers also expressed a clear preference for a dedicated mobile app to access the service, which they expected to streamline the experience and include dedicated functions to facilitate the actions carried out each month. However, it is worth bearing in mind here that expectations for functionality would be high based on the experience of other apps, such as those for banking services, and it would need to offer a significantly better experience than offered at current online in order to avoid disappointment.

Payment process

In terms of site functionality, trialists were keen to see improvements to the payment process to minimise the amount of time that they need to spend on the site and avoid missing childcare payment deadlines. Ideally, they wanted to make payments in one visit, in order to match expectations from other sites and provide a relatively similar experience to if they were paying directly from their own bank account. In the absence of this then trialists wanted to see improvements that helped them to manage the process and avoid late payments, such as

confirmation email confirming when payments have cleared into their account and then again when they have reached the childcare provider.

“It hadn’t even left my account and I didn’t know! I would expect an email or text or something which let me know that payment had gone through so I don’t have to keep checking to make sure” (Female, Tax-Free Childcare, Trialist)

A number of parents also suggested the inclusion of a calculator on the payments page to help them calculate how much money they will have in their account after the top-up has been added. This would help to accommodate the way that the site was being used by the vast majority of trialists to pay their exact fees to their childcare provider each month. Parents who struggled to find their childcare provider on the site to set up payments requested a more effective search function that is able to locate providers using just their post-code, name or OFSTED registration number.

Guidance and support

Improvements to guidance and support could also help to address or ameliorate some of the issues that trialists have experienced with the service. As above, there was an expectation that guidance would be more fully integrated into the site to head off issues before they arise. For example, parents expected clear guidance on how long payments were likely to take to reach their destination to be clearly displayed when making payments, as they felt happens with equivalent banking services. There was also an expectation that the site would provide intelligent guidance during use, such as notifications that payment wouldn’t be possible if it was setup for a weekend or bank holiday.

“The person who wrote the instructions were so aware of how the entire system works, they didn’t see it from the view point of somebody that was reading it for the first time.” (Female, Tax-Free Childcare, Trialist)

There was also an expectation that helpline staff should be better trained about how the service works and more able to address common technical queries. As part of this, it was expected that staff should be able to access accounts to quickly address issues involving parents being unable to access money they had paid into the account. Amongst those making multiple calls to the helpline there was a strong expectation that calls should be returned or that there should be some kind of case number to track a query across multiple different calls and call handlers.

“Clearly staff aren’t trained properly in what it does, how it works, what they need to do if something’s not working, what they’re allowed to do, what they’re not allowed to do.” (Female, Tax-Free Childcare Trialist)

When prompted, many participants expressed a preference for online chat support which was seen to offer a similar level of tailored support as a telephone helpline, but in a more timely and convenient way. Given the role that some trialists had to play in encouraging providers to register for the service, some also requested supporting materials to help aid these conversations.

For non-trialists in particular, there was a desire for more detailed guidance from HMRC pre-application outlining eligibility criteria. Clearer guidelines about when children become eligible to apply for 30 Hours could help to prevent early applications and subsequent confusion when parents are redirected to apply for Tax-Free Childcare. Likewise, clearer upfront information about the interaction between Childcare Vouchers and Tax-Free Childcare could help to prevent parents from dropping Childcare Vouchers prior to the application process. There was also a desire for clearer direction around a variety of issues, including timings for applying during maternity leave and clarification on the eligibility status of parents without a UK passport.

Alongside this, non-trialists also expected clearer communications from HMRC during the application process, including clear guidance on next steps for those not found immediately eligible and, for those found ineligible, a clear expectation of the reason and details of how to appeal the or follow-up on the decision. Finally, there was an expectation that the application process was more clearly signposted, so that parents were clear whether they were applying for 30 Hours or Tax-Free Childcare.

Appendix A

Childcare Service: Dorset 30 Hours parents

Introduction

- This document contains findings from analysis of interviews with twenty parents taking part in the early rollout of the 30 Hours offer in Dorset, all of whom had used the Childcare Service to receive a 30 Hours eligibility code and submitted that code to their childcare provider

Pre-signup expectations and experience

- The fact that parents in Dorset would be able to take part in the early rollout was generally communicated to parents by their childcare provider, although this was often building on a pre-existing awareness of the offer
 - Many respondents had heard about the offer via the national news or from peers and had heard that the offer would be available nationally from September
- The policy was seen as a natural extension of the already familiar 15 Hours offer and as such was clearly understood - and appreciated as a generous help to working parents
 - In terms of process, 15 Hours was seen to have been carried out largely by providers with parents simply providing a signature or filling a form, although interviewees didn't generally draw an explicit comparison with the 30 Hours process
- Motivations for signing up were largely financial – e.g. saving money on monthly nursery bills – although a minority also talked about how it would allow them more time to work or switch their working hours to the daytime e.g. self-employed
- Beyond that, ingoing expectations and understandings were determined largely by quality of guidance from childcare providers, which varied considerably across interviews
 - Some CCPs were viewed by parents as being 'really supportive', provided a clear explanation of the offer/process at the outset and were able to provide guidance throughout the process, whereas others knew little about the process
 - Some indication that smaller child minders tended to be more informed, whereas individual staff at larger nurseries could by comparison seem to know relatively little

Pre-registration stage

- Following pre-registration on the Dorset For You site, some reported issues with receiving an invite to the Childcare Service, with concerns often heightened by the fact that parents felt they were not provided with guidance on the likely waiting time for an invite or with an overview of the process
 - Some hadn't realised after registering that they would need to sign up to an account or receive a code to submit to their provider
 - Some felt that the wait was overly long, given that there was no indication of how long they

would have to wait, and became concerned that the invite had been lost or forgotten

- Some found that the invitation initially found its way into their junk mail folder – with some of these then informed to check here by their CCP after raising concerns

Experiences of account sign up and management

- Experience of account signup was largely straightforward and mirrored findings from Wave 1 of the Childcare Service process evaluation, with the majority reporting no issues during the actual application process
 - One had an issue as their partner's employer had reported their NI number incorrectly – although this was an ongoing problem with HMRC
 - One reported having to call the tax credit helpline to get precise details of what they received as part of ID verify, but staff there not appearing to be informed about the Childcare Service – then after logging back in to the service being asked for a different form of identification anyway
 - Others reported gathering documentation for ID verification to be a bit of a nuisance and would have liked more forewarning of what would be necessary, but understood the need for this part of the process and were able to progress after finding documentation
- Having logged into the system, parents reported a mixture of experiences of receiving the code
 - Most received the code straight away after signing up and had no difficulty finding it
 - Others reported being told they would be emailed the code – but with no indication of how long this would take
 - One got a call from HMRC after signing up to verify details and check eligibility – then received an email asking them to log in to their account to check their secure messages for a code
- Beyond receiving the code there was minimal interaction with the account – and as such the overall process was generally understood to be simply about receiving the code rather than the creation of an account to manage all of their childcare support needs
 - Although some had heard of the Tax-Free Childcare offer, most were unaware that the account could also be used to access this and nobody had used the account to look further into or take advantage of the offer
 - A minority of more engaged parents had looked into the offer in advance but decided that they were better off on tax credits or childcare vouchers
- Having received the code, parents reported a variety of different ways of submitting the code to providers
 - Some had been instructed to simply email the code along with their National Insurance number
 - Others needed to fill out some additional forms provided by providers – in some cases these forms were provided after the code had already been submitted by email (i.e. the paperwork was not ready at the time of initial submission)
- Only around half of interviewees were aware that they would need to reconfirm eligibility – although this may be somewhat skewed by the fact that many parents only expect to claim the support until the end of September due to the timing of the offer and the age of their children)
 - When reconfirmation was explained, most could understand why this was necessary – but some felt that even every three months – as planned for the full rollout - was too frequent as parents circumstances are unlikely to change that often

- Some also reported concerns about being able to log back into the site as they were confused by the number of different usernames/passwords that they had received and had not originally believed that they would need to log back in having already received their code

Guidance and support

- Parents were generally using childcare providers as their first line of guidance and support – as they had a pre-existing relationship, offered easy face-to-face access and were expected to be informed about the offer
 - Although the quality of guidance that providers were able to offer clearly varied across interviews
- Beyond childcare providers, parents turned to a variety of sources for guidance
 - Some had referred to the Dorset For You website, which was considered to offer clear guidance
 - Others had contacted HMRC, although they described issues with finding a dedicated helpline, even via the Childcare Service site – and one reported being given incorrect advice about eligibility from the person they spoke to on the helpline, which was later corrected by their childcare provider

Impact

- Overall, the 30 hours offer was received positively as a welcome support for working parents – much in the same way as Tax-Free Childcare
- In terms of current or expected ongoing impact, this varied depending on individual circumstances
 - For those already claiming more than 15 hours of childcare, the impact was mostly financial
 - For some others, the offer was seen as a chance to extend childcare beyond 15 hours – although not usually to the full 30 hours
 - Some also reported that the added hours would allow them to rely less on informal childcare arrangements – e.g. grandparents
- A minority also reported an impact on working patterns/hours
 - One reported extending part-time hours – e.g. working the occasional Friday
 - Self-employed parents could also report that they expected to work more hours – or shift hours they were currently carrying out in the evening to the daytime
- One parent reported wanting to work longer hours but finding this impractical as the offer didn't cover childcare for her younger child – and so would have preferred to be able to split the hours across all of her children in order to create more time during which she could work
- For participants in this trial, there were also some indications that the impact was muted by the fact that, due to the age of their child and eligibility criteria, most were only expecting to be taking up the support until the end of the term in September
- Some also reported more general issues with being able to redeem their codes at their childcare provider, where there could be limits set on the number of hours (17 hours or 25 hours), with the period of eligibility for the offer too short to justify changing childcare arrangements in order to take advantage

Appendix B

Childcare Service: Dorset 30 Hours non-sign-up parents

Background and approach

- This strand of the research explored experiences amongst parents who had pre-registered for the Dorset Early Rollout of 30 Free Hours Childcare but had not then completed a childcare service application when able.
- Findings are based on 10 x 20 minute telephone depth interviews with parents.

Overview of participants' motivations for pre-registering for 30 hours free childcare:

Overview of motivations:

- Participants' motivations for registering for the policy were largely consistent – motivated by a desire to receive support with their childcare costs. The support on offer was perceived to be substantial. Several of the participants were already receiving 15 hours free childcare and were keen for the possibility to receive additional support with their childcare costs.
- Some participants wanted help only with covering the costs of their existing childcare, even if this was less than 30 hours. Others planned to use this as an opportunity to take up more hours of childcare than they currently do (particularly welcomed by parents planning to increase their working hours in the future).
- Participants were generally enthusiastic about the policy and keen to receive the support – even participants who had experienced technical difficulties were still eager to resolve these and access the programme. Equally, participants who had discovered they were ineligible also remained enthusiastic about the policy – with some (for example those with children too young to be eligible) looking forward to taking up the support in the future.
- Participants were aware that they were signing up for a trial programme, but were hopeful that they would be selected to participate. Indeed, the sense of 'limited spaces available' was a motivation to apply for some.

Channels of information:

- The channels through which participants had become aware of the policy varied. Some had been informed through communications from Dorset Council, including emails directly introducing the policy. The contents of these emails were generally felt to be clear, and useful in explaining the trial.
- Others (generally those with more organised, formalised childcare arrangements such as a nursery or daycare centre) had been approached directly by their childcare provider (CCP), who had encouraged them to sign up for the programme. Participants were generally happy to trust their CCP's knowledge of the details of the programme – some received direct support during the application process from their CCP (e.g. guidance about what information to have to hand).
- Some had also heard about the policy through local media channels, such as local radio stations.

Overview of participants' reasons for not completing a childcare service application:

Reasons for not completing eligibility check:

- The most common reason for not completing the childcare service application was a perceived lack of communication about the application process. Several participants claimed not to have received any communications about 30 hours free childcare since applying to the trial and were waiting for further instruction before taking next steps. They expected that the application process was meant to take a few weeks or months (although some participants acknowledged this could also have been the result of missing, ignoring or disregarding emails due to being busy at work and caring for children in recent months).
- Another reason that participants had not completed an application was because they had realised that they were not eligible before reaching this stage (e.g. those with children too young to be eligible).
- Other participants had experienced a technical problem at this stage. One participant reported that the link they had received in the email inviting them to apply for 30 hours free childcare did not work properly, instead taking them to a page outlining the Terms and Conditions for the programme which they claimed to be unable to navigate away from. One participant reported that they were unable to complete the process due to an error message stating that "we are checking your eligibility" but not being able to proceed any further than this. That participant rang the helpline number but, despite being walked through the process by an adviser, was still getting the same error message. Another participant felt that the Government Gateway service had been overloaded by individuals submitting tax returns, which had resulted in an error preventing registration.

Reasons for starting but not completing a 30 Hours application:

- Those who had reached this stage but not completed the application generally reported technical difficulties that had prevented them from fully completing their 30 hours application. Two participants reported receiving an error message after including a capital letter in their surname (e.g. O'Neill⁷), and were awaiting a response from 30 hours technical support. One participant had input the wrong access code and received an error message, and sought support from the local council's helpline. One participant reported receiving an error message stating that the details she input at this stage did not match those which had been provided previously.

Overarching barriers to application:

- In addition to the specific factors, highlighted above, that had specifically halted participants' applications, there were also a number of overarching factors that delayed or acted as barriers to application.
- Firstly, there were issues around the timing of invites – some participants explained that, because they were in the middle of a school term, they already had their existing childcare arrangements in place, and wouldn't be seeking to make changes to their childcare arrangements until nearer the end of the term. This meant there was not a great sense of urgency to completing the application.
- Some parents already receiving 15 hours free childcare (particularly those with more organised childcare providers) described existing systems they have in place with their childcare provider around receiving the support. For example, some participants described their childcare provider providing them with the required forms and instructing them on how to complete them at the end of each term. These participants expected that their childcare provider would provide similar prompts for the new policy.
- Some participants assumed (either based on prior experience, or influenced by lower levels of digital confidence) that any online government transaction would be complicated and long-winded. In some instances this led to a predisposition to seek helpline support where difficulties were encountered; or reluctance to engage with the online system until given explicit instructions about what to do.

Overview of support requirements:

- Several participants had sought support as part of their journey. Participants had sought support from a variety of different sources, including: their childcare provider; Dorset Council's website and helpline; UK Government

⁷ Not a participant's actual surname, but an example of a surname containing a capital letter

website and helpline. Participants generally first selected the channel that they associated most strongly with the policy, which was typically the main channel through which they had heard about it.

- When encountering technical difficulties, participants generally preferred to make use of a helpline number, as they wanted specific feedback on the particular error message or difficulty they had encountered that was not covered by generic FAQ information. Since participants were keen to receive the 30 hours support, they were willing to put up with relatively lengthy waiting periods and technical support calls – with some participants having rung the helpline multiple times in their attempts to solve the issue they faced.
- One common issue with the helpline support available was a perceived difficulty in finding support that was specific to the 30 hours application system. Several participants who began by contacting their childcare provider or Dorset Council explained that support staff within these organisations had not been able to address technical queries about the system, and had not always known the best point of contact to signpost participants towards. Some participants also rang the main HMRC helpline and needed to be re-routed to the specific childcare service helpline.

Overview of participants' future intentions:

- As outlined in the section describing participants' enthusiasm for the policy, almost all of the participants interviewed were keen to receive the 30 hours free childcare in the future, and this meant that they wanted to overcome the barriers that had prevented them from doing so.
- Despite this, several participants (mainly those who had not yet received communications about the 30 Hours policy) were not planning to take any immediate action, as they wanted to receive specific instructions from HMRC before taking next steps. Several of these participants were aware that this was a trial of the policy, and so expected that delays would be a part of the process.
- Those who had experienced technical difficulties were more proactive about next steps – almost all of these participants had rung a helpline in order to try and resolve the issue so that they could receive the benefit, and were continuing to seek support where these issues had not yet been resolved. One participant who had encountered a technical issue assumed that their childcare provider would ultimately take charge of the application and instruct them when the end of the school term arrived, and so had not taken any action at this point.

Appendix C

Childcare Service: Trial selection and ineligible trialists mini-depths

Background and approach

Two sets of 10 mini-depth interviews (c. 5 minutes in length) were held with individuals who had pre-registered for the childcare service trial.. The interviews were conducted between 5th and 10th October 2016.

Interviews focused on two different groups to check their understandings of the outcome of the screening process based on their particular situations:

1. *Check understanding amongst those pre-screened as eligible for TFC trial that they will not definitely be invited to take part in the actual trial*
2. *Check understanding amongst those screened ineligible for the TFC trial as they are receiving child tax credits that (i) they will not be able to claim TFC and tax credits at the same time and (ii) that they will not be eligible to take part in the full trial.*

Findings:

1. *Check understanding amongst those screened eligible for TFC trial that they will not definitely be invited to take part in the actual trial?*

Overall, a good understanding of their potential future role and of the fact that they may not be invited to participate in the trial.

- All claim to have understood that they will not necessarily be invited to take part in the trial, with only one a little more vague about this point, but claiming to remember during the interview call
- Most seem to have been clear about this from the point that they received the initial registration / invitation letter or when completing the questionnaire. One claimed to have only realised nearer to the end of the process.
- Involvement is seen as a mixture of taking part (e.g. benefits to me) and providing feedback – with a few queries about exactly what participation will involve...
 - How will I actually access the account? Do I need to use a computer?
 - How long will the trial go on for?
 - Will I still be able to claim childcare vouchers?
- A few additional queries also come up...
 - Will my nursery be eligible?
 - Is there a £2,000 cap on government contributions?

- All except one aware (or unconcerned as not relevant to them) that it is not possible to receive both Tax-Free Childcare and child tax credits
2. *Check understanding amongst those screened ineligible for the childcare service trial as they are receiving child tax credits that (i) they will not be able to claim Tax-Free Childcare and tax credits at the same time and (ii) that they will not be eligible to take part in the full trial.*

Overall, only four out of ten of the sample is aware that Tax-Free Childcare is not available to those who are also receiving child tax credits. In addition, two out of ten are not actually receiving child tax credits and so appear to have filled in the screening questionnaire incorrectly. In comparison to those screened eligible, there is also a greater focus on participation in the trial as a way to meet childcare costs, with no mention of participation as being about providing feedback.

- Half the sample unaware that it is not possible to receive both Tax-Free Childcare and child tax credits
 - With an additional two not currently receiving child tax credits, despite claiming that they were during the screening process
 - 'It's not a benefit to me if I can't also receive tax credits'
- So in total, only three out of 10 are aware that they would need to stop receiving child tax credits if they want to receive Tax-Free Childcare
 - Two remember from original letter
 - One from sign-up process
- One of these is receiving £80 per week (in child benefits?) but is unaware what benefit this is – indicating that potential participants may not always be clear what they are receiving
- Involvement and motivations were all very much about receiving childcare costs, with no one mentioning providing feedback on the trial as part of their involvement
- Considerable uncertainty about ongoing role...
 - Some believe they will play no further part as ineligible
 - Others unsure if anything further will happen
 - Some expecting an invite to take part
- Some additional isolated queries also arise...
 - When can I sign up if my child is not in registered childcare until January?
 - Is it possible to receive child benefit and Tax-Free Childcare?
 - How do I find CCPs registered under the scheme?

Appendix D

Childcare Service: Reconfirmation mini-depths

1. Introduction

- These findings are based on 20 mini-depth interviews (c. 5 minutes) drawn from a sample of childcare service users who had not reconfirmed within their specified window – all interviews took place between 2nd and 3rd October
- The majority of the audience self-reported as using the service to claim 30 Hours only. This was different than the application data – which showed that more had applied for 30 hours and TFC.

	Self-reported	Application data
TFC only (code 1)	1	2
30 Hours only (code 2)	17	8
30 Hours and TFC (code 3)	2	10

2. Findings

- **Awareness of need to reconfirm**
 - Around half of the audience claimed to have been aware of the need to reconfirm at the point of sign-up – with childcare providers playing an important role in informing some of these
 - The remainder were not initially aware of the need to reconfirm and were not picking this up during the process of creating an account
 - By the time of the research though, all but two respondents were now aware of the need to reconfirm, having been prompted either by an email reminder or, in a couple of cases, by their childcare providers
 - However, the awareness of *why* there was a need to reconfirm was often quite vague and many participants claimed not to be aware that they may lose their support if they did not reconfirm
- **Understanding of the reconfirmation process**
 - Once they were aware of the need to reconfirm, most felt that the process was quite self-explanatory and that they would need to log back in and re-enter the same details as when originally applying
 - However, this understanding was often quite vague, and there was no detailed understanding of the process or what documents might be needed in advance
 - The process itself was generally felt to be quite straightforward when actually completed,

although some questioned whether some of the information needed could be pre-populated to make things quicker

- **Reconfirmation behaviour**

- Although no participants had reconfirmed when the sample was drawn on the 18th September, the majority of participants had reconfirmed by the time of the interviews, with behaviour driven by a variety of different prompts
 - For the majority it had been in response to email (or in one or two cases) text message reminders
 - Some had noticed that they needed to reconfirm when logging onto the site itself
 - In some cases, the nursery had also issued reminders that acted as a prompt to reconfirm
- Participants also talked about a variety of reasons for not reconfirming earlier
 - Some weren't aware that they needed to reconfirm from the point of registration
 - Even amongst those that were, they had often not noticed or received initial prompts/reminders
 - Given a lack of understanding of the consequences of not reconfirming there was also felt to be little urgency
 - Many claimed that it was something they had meant to do but had not got around to yet because of being too busy with other responsibilities (e.g. childcare/work)
- Five respondents were yet to reconfirm and again cited a variety of reasons for this
 - Two had been prevented by technical issues – they were receiving emails to say that they needed to reconfirm but were not allowed to do so by the system when logging in (no error message displayed)
 - Two people were not clear and had not received any prompts – but claimed that they would now reconfirm following the interview
 - One had signed up to receive 30 Hours but was only claiming under 15 Hours so felt that there was no need to reconfirm
- Only one respondent was aware that their 30 Hours support had lapsed, having been notified by their nursery, but had still not reconfirmed as they were aware that they were on a 'grace' period

- **Prompts**

- A number of participants claimed not to have received any email prompts
 - Out of these, several had only noticed a prompt to reconfirm within their secure inbox in the account itself
 - Some better-informed participants were expecting a prompt based on their understanding of the initial application process and were surprised not to have received one
- Of those that were receiving prompts, it seems that some had only received a second notification which could get a mixed reception
 - For some the tone of this email was an effective spur to action

- Others felt that it seemed too severe and implied that the support had already been stopped when that was not the case
 - A small number of respondents mentioned that emails had been going into their junk mail folder originally – and it seems likely that this may be a more widespread issue
 - Some others talked about how crowded their email inboxes were and felt that there was a good chance that they would miss email notifications due to the amount of spam they received
 - Text messages were felt to be a much more personal channel and that text reminders would be more effective – but few were signed up for this service or aware that was available
 - Based on their experiences, some of those that had now reconfirmed had added their own prompts to personal diaries to ensure that they were aware next time that they need to do so
- **30 Hours**
 - For those receiving 30 Hours specifically, there could also be an assumption that reconfirmation worked on a term-by-term rather than quarterly basis
 - This was what was seen to make sense and fit with pre-existing behaviour around making arrangements for nursery, and so respondents were often operating with this mind-set despite not having been informed that this is how the service worked
 - For some this point of view was further reinforced by comparison with the processes for 15 Hours or the Two Year Old offer

3. Implications

- **Prompts**
 - Prompts do seem to be largely working as an effective way to encourage people to reconfirm but emails are currently problematic
 - Due to the way that the channel is used, emails risk being missed even when they are being sent
 - At other times they seem to be going into junk folders
 - Text message prompts are more likely to be noticed
 - Customers seem happy to receive these if they can be encouraged to sign up – e.g. if this is an opt-out part of signing up to the service
 - Ideally these would direct customers to reconfirm rather than just sign in to view secure messages
- **Timing of prompts**
 - Some parents claimed that a prompt a month in advance is likely to be ineffective as it is too far in advance to be urgent in amongst other priorities and risks being forgotten
 - Some therefore recommended changing the timing so that an initial prompt is received two weeks before the date, with a further reminder 2-3 days before the deadline

- **Building early awareness**

- Most participants are not clear about the need to reconfirm at the point of sign-up
- Here some suggest a visual process map at the point of sign-up (that could be printed off and kept) would help to make things clearer

4. Additional TFC Interviews

- **Background**

- In addition to the core interviews, we also conducted 10 additional interviews with customers who had applied for TFC

- **Findings**

- Although all respondents were registered in the sample as having applied for TFC, half said they were actually primarily interested in 30 Hours
 - Two of these claimed that although they had applied for 30 Hours, this had switched to TFC during the process in error – and they had not yet figured out how to sign up for 30 Hours
 - The remainder were not yet claiming 30 Hours – 1 as their situation had now changed (mother stopped working) and 2 were waiting until their children became the correct age
- The remaining respondents had signed up for TFC but none were yet using the service
 - A couple had signed up but then found the process too much 'hassle' and had continue to pay through regular channels
 - One felt that they couldn't manage the services given their limited finances, which didn't leave enough time between them being paid and the payment deadline for their childcare provider
 - One was not sure if they were actually signed up and found the whole website very confusing
 - One had paid into the account but had been unable to make payments out of the account due to an error – they were in touch with the HMRC helpline about this and still hoped to use the service at some point
- Given that none of these customers were using the service, they were generally not particularly concerned by the need to reconfirm
 - When prompted, around half claimed to be aware of the need to reconfirm
 - Only a minority claimed to have received a prompt by email – although none had acted on this, as they were not using the service
 - The customer who was unable to use TFC due to an error claimed not to have received an email prompt – but said that they would look into reconfirming following the interview as they still hoped to be able to claim the support in future

Appendix E

Childcare Service – Childcare provider experiences of Dorset 30 Hours early rollout

1. Introduction

- These findings are based on interviews with 20 childcare providers taking part in the Dorset early rollout of the 30 Hours support and form part of a larger process evaluation of the childcare service trial
- The 20 childcare providers taking part in this research were all attended by children whose parents had claimed for 30 Hours for the Spring term 2017 and included a mix of nurseries (8), child-minders (10) and playgroups (2)
- These findings focus primarily on childcare provider experiences of the early rollout period when parents were claiming support for the Spring term beginning in April 2017, but also explore expectations and processes put in place by providers looking forward to the Autumn term starting in September 2017, drawing out lessons learned and implications from both
- Although the focus of this is on use of the Eligibility Checking Service (ECS), we have also provided some background findings on attitudes toward the policy itself (see Section 2) to provide context for later findings, as to this could to some extent influence perceptions of the administrative process

2. Context and background

- **Awareness of the policy and early rollout**
 - Providers generally claimed to have been aware of the 30 Hours policy from some time prior to the early rollout, having heard about it via the media or general word of mouth earlier in 2017 or even in the previous year
 - However, there was felt to be little forewarning that Dorset would take part in an early rollout of the offer, with most claiming to have heard about this around a month or six weeks before the start of the Spring term, leaving them what they considered to be little time to prepare
- **General feelings towards the policy**
 - Although providers were generally positive about the policy in theory, there were somewhat mixed views in practice depending on how they felt it would affect finances – which could impact on attitudes towards and impressions of the administration process
 - When the early roll-out was first announced there were general concerns about whether the Government funding for each place would be sufficient to cover costs, although these were later ameliorated somewhat when the eventual figures were released with most providers believing that with the inclusion of ‘top-ups’ and additional charges they were able to match, or sometimes even better, their previous costs

- However, a minority of providers felt that they would not be able to cover costs under the new system – and could therefore be less positive about the policy and the part they had to play in processing it
 - For example, one playgroup manager who felt that she would be losing out was not encouraging parents to take up the offer unless they approached her first. Another manager of a small nursery, who felt that the support would make her business financially unviable, was particularly negative about the role she had to play in administering the support
 - By contrast, one childminder who was unaware that she could charge for additional costs felt that she would be missing out but nonetheless remained positive about the policy and her role as she felt it would benefit parents and could therefore see the value
- **Motivations for taking part in the early roll-out**
 - Providers generally saw participation in the support as a necessary condition to stay competitive - even in those cases in which they felt they might lose money this was seen as preferable to losing out on business entirely
 - Many also cited other more positive reasons, such as supporting parents (particularly childminders) or taking the opportunity for a trial run before the full launch of the policy

3. Experiences of preparing for the early rollout

- **Early experiences and communication around the rollout**
 - Despite what was considered to be late notice about the launch of the early rollout, childcare providers generally felt that they received good communications from Dorset LA regarding what they would need to do to manage the process of administering the support
 - Providers that attended early one day seminars held by the LA were particularly positive, but others also felt that the material provided were clear/useful and that staff were responsive to queries
- **Preparations for administering the service**
 - The majority of work undertaken by providers prior to actually using the Eligibility Checking Service was related to communications with parents about the offer and what they needed to do to apply
 - Given the short lead time, providers felt that they needed to turn around communications promptly and many drew directly on the materials provided by Dorset LA for content
 - Providers used a variety of channels to communicate with parents: nurseries tended to use more formal routes with many emailing parents but some also communicating face to face or using other channels such as Facebook; childminders tended to speak to parents directly or use other informal channels such as Whatsapp
 - Beyond this, most providers did not provide much support to parents regarding how to actually apply to the service, instead signposting to the childcare service helpline where there were problems (see below), again drawing on guidance provided by Dorset
 - A minority of childminders did report parents expecting more heavy involvement in guiding them through the application process and feeling obliged to help them in order to maintain relationships, which was considered burdensome

- Beyond this, providers reported had to do little to change their business processes in order to check the eligibility of parents applying for 30 Hours using the ECS

4. Experiences of administering the early rollout

▪ Using the ECS service – overall experience

- Providers generally found the ECS service easy to use, as they were used to similar services via the Dorset LA portal to process existing support (such as 15 hours) and received clear guidance from Dorset LA on the process
- When issues did arise they were generally not to do with using the service itself but due to problems or misunderstandings with the service amongst parents
 - Across many childcare providers, many parents mistook their eligibility code for another similar 11-digit code beginning with 5000 received on the Childcare Service – even when this issue was identified by childcare providers, they were unable to check whether they had received the correct code without actually trying to input them into the ECS, creating considerable additional admin burden in terms of the time spent checking incorrect codes and then following up with parents for the correct codes
 - Some childcare providers also experienced issues with parents not receiving their codes before the start of term – in which case they generally agreed to charge parents and refund later once the code was received, creating extra work and affecting accounting
- There was also some confusion about quite how to claim the support in cases that fell outside 'normal' circumstances, such as when parents wanted to split their allocation across two providers or wanted to claim some of their allowance during the holiday period

▪ Receiving Codes

- Providers generally found this part of the process fairly straightforward, collecting codes from parents as soon as they were ready, using a variety of approaches
 - Nurseries generally using more formal approaches, collecting codes alongside other key information such as National Insurance number and parent's date of birth - some used forms provided by Dorset LA to do this alongside applications for 30 Hours, but others collected separately due to timing issues
 - Childminders tended to use more informal approaches, with parents communicating face to face or via message – and there was sometimes some back and forth to collect all relevant information
- When parents submitted the wrong codes, 'chasing up' parents could be seen to increase burden (as noted above)
- One or two smaller providers reported feeling a little uncomfortable asking for parents' date of birth and questioned whether HMRC could not obtain this information through some other route

▪ Processing codes

- Again providers generally found this part of the process straightforward, and were able to use the ECS based on the guidance provided by Dorset LA
- Code-checking was generally carried out on an ad hoc basis by nursery managers or childminders and fitted around existing workload, with codes checked as and when they came in either individually or in small batches depending on the number received – only a minority of larger nurseries had dedicated admin staff
- Once eligibility had been verified then providers generally reported making some record

of this to be stored alongside their other records on that parent

5. Experiences of full rollout of 30 Hours

▪ Expectations for the full rollout

- Given their experiences of the early rollout, providers generally felt well prepared for the full rollout, as they now had experience of the process and would easily be able to replicate it
- Some also reported expecting the process to be easier this time, as they already had the processes in place to communicate with parents – with a minority believing that Dorset would also be streamlining the process so that eligibility codes could be submitted more easily alongside claims for the support itself
- However, there was clearly some confusion about the reconfirmation process and the role that providers would play in processing eligibility for those children continuing with support from the previous term
 - Although providers understood that parents would need to reconfirm their eligibility for the new term, most understood this to mean that parents would all need to generate new code, which providers would then need to process in the same way as they had for the Early Rollout
 - One or two mentioned that they had heard that codes for the early rollout had been extended into the new term and so there would be no need to input new codes for parents continuing to claim the support this time, but that this was just a temporary measure and in future they would need to process new codes from parents each term
- There also seemed to be very little awareness of the audit process – no providers had been in touch with or mentioned expecting to hear from the LA regarding auditing or eligibility and nobody mentioned 'grace periods'

▪ Experiences of the full rollout

- Compared to the early rollout, providers had received little guidance from Dorset LA regarding the process for the Autumn term – most knew that they needed to receive codes by August 31st and beyond that expected to follow the same process as for the early rollout (see above)
- Providers generally understood that parents needed to reconfirm eligibility on the Childcare Service but had taken different responses to dealing with this – more proactive providers had directly communicated with parents but were relying on parents to manage this themselves
- Beyond this, providers were yet to receive codes but generally felt prepared and saw no need to introduce additional processes to manage eligibility checks

6. Impact of the offer

▪ Impacts on childcare providers and workloads

- Processing eligibility claims for 30 Hours was felt to have little impact on workloads amongst most providers, introducing just one more step alongside the processes already in place to make funding applications for children claiming 15 Hours support, with only a minority of more negative views
 - Some managers at larger nurseries felt that the introduction of 30 Hours - alongside 15 Hours and the 2 Year Old offer - was part of a trend towards greater complication and admin burden and talked about how it was necessary to now

have full time admin staff

- Those who were less positive about the overall policy and felt it impacted them financially could also be more negative about the increase in administration
- Beyond that, the biggest burden was felt to be in relation to communicating parents to make sure that they generate a code – although this process was eased in Dorset by strong LA support
- **Impact on provision**
 - Perceptions of how far the introduction of 30 Hours would impact on the take-up of provision varied somewhat according to levels of capacity
 - Many nurseries and childminders felt that they were already at capacity and foresaw little impact from the introduction of 30 Hours
 - For others, the main impact was seen to be on existing parents increasing the number of hours they claim (rather than an increase in new parents using childcare) which was seen to be leading to an overall increase in provision – including some providers opening new facilities in order to meet growing demand
 - One or two providers also mentioned how the increase in the number of hours taken up by parents could actually lead to a drop in admin, as fewer parents claim a greater number of hours
- **Impact on perceptions of HMRC / DfE**
 - Providers' primary relationship during the process was with Dorset LA, although when prompted providers did also understand that the offer was being provided by '*the government*' or sometimes HMRC – nobody mentioned the Department of Education
 - Even when HMRC was mentioned, there was very little impact on impressions

7. Implications

- **Communications and support**
 - Clear and responsive communications from Dorset LA were clearly important in informing communications with parents, use of the ECS and the overall success of the early rollout – and provides a good model for other LAs to follow
- **Eligibility Codes**
 - Confusion over eligibility codes added to admin burden and could be resolved by clearly distinguishing codes received through the Childcare Service so that providers can offer clear advice to parents on which to provide
- **Clarity around reconfirmation**
 - There is a need to provide clarification to providers about their role in the reconfirmation process – and to prepare them for contact with the LA regarding auditing – as this is currently not well understood

Appendix F

Childcare Service: LA experiences

Introduction

- These findings are based on interviews with ten Local Authority staff spread across four early implementation areas (Portsmouth, Northumberland, York, Hertfordshire) taking part in the 30 Hours early implementation and forms part of a larger study which also includes interviews with childcare providers in these areas.
- This document contains topline findings from analysis of the interviews with local authority staff.
- In this report we have assigned each Local Authority with a letter, in order to avoid identifying their responses

Context and background

- Across the interviews, we spoke to staff with a range of different roles in relation to the implementation of the early roll-out, with one contact provided by HMRC/DfE and the remainder selected by the LA – e.g. Project managers; administrators; IT staff
- Whilst it is outside of the scope of this research to explore experiences of the early implementation in detail, it is worth noting that this was interviewee’s primary experience and what they tended to want to discuss - their use of the ECS to check codes submitted by parents obtained from the Online Childcare Service or the small number of dummy codes provided by DfE was seen to be a comparatively minor task.
 - All of the LAs have had different experiences and taken different approaches to administering the 30 Hours early implementation, in terms of how they defined eligibility, the processes they put in place to check eligibility and the approach that they took to educating CCPs/parents about the programme
 - They have also had different levels of success at attracting parents to the trial – for example, B struggled to find enough parents to sign up for the trial, whereas D was oversubscribed and ending up having money diverted from other regions to expand their funding.
- The four LAs were also at different levels of developing the portal to be used to administer the early implementation, but all expected to have a portal up and running in time for the national rollout
 - D and A already had a portal up and ready to go, developed in-house fully integrated with the systems currently used by their CCPs to administer headcounts for other benefits e.g. 2 Year Old offer
 - C was working on developing its portal, which again it planned to integrate with its existing provider portal
 - York was still in development and had some issues as their core IT system was unable to support the ECS and initially had funding issues with purchasing the required module from their external systems provider

Experience of code-checking and audit

- LAs were generally comfortable with using the ECS and reported few issues or concerns
 - All had some experience of using the ECS to check codes both individually and as a batch, using the DfE-provided dummy codes and the small number of codes submitted by parents
 - Overall, this process was considered straightforward, particularly as it was felt to be familiar from services that were already being used to manage other services, e.g. 2-Year-Old early education entitlement
 - The only exception was in D, where they had compatibility issues due to (1) they use Google docs rather than Microsoft, (2) the data on their internal systems was stored in a different layout to that needed to complete the batch upload and had to be rearranged and (3) they initially received an error message after trying to upload the batch, which later resolved.
 - Across the other LAs there were also some broader concerns about how the system might cope after rollout if the volume of codes received were to be much higher – although as they planned to use a portal to facilitate checks, they acknowledged that it would be CCPs actually doing the checks
- As LAs expected to have portals up and running for the launch of the Childcare Service, they had not developed processes for notifying parents about eligibility
 - As the codes checked so far had been either dummy codes or for parents already receiving the entitlement as part of the early implementation, there had been no need to notify parents
 - For the actual rollout, the expectation was that CCPs will be able to check eligibility via the portal and notify parents directly
- Whilst the audit process for the early implementation had been time-consuming, LAs expected this burden to drop considerably for the launch when they would be able to use the ECS via their portal to audit
 - As part of the early implementation, LAs have been manually auditing enrolled parents, checking eligibility evidence for 15% of participants selected at random; a process that was considered time-consuming, especially when it involved following up with parents directly for supporting documents
 - However, for the trial this burden was expected to be much lower, as there will no longer be any obligation to manually check evidence, with checks being done automatically via the ECS and notifications being made to CCPs
 - LAs had different expectations in place for how this will work – for example, in A their portal will run an audit against all codes each morning, whereas in other areas, such as C, this process will happen at six set points over the course of a year
- During the early implementation, LAs had been notifying parents directly about the results of the audit process, but following launch, they expected to notify CCPs, either by phone or directly via the portal, with CCPs then informing parents
- LAs were generally confident about CCPs' ability to follow the processes needed to administer the 30 Hours support, as it was seen to be very similar to existing systems used to administer other benefits, such as the 2-Year-Old early education entitlement, although there were some concerns:
 - For example, in C, some raised concerns that CCPs would become confused with the switch from following the processes used on the early implementation to those that will be used for the actual rollout
 - Others raised concerns that CCPs and parents would turn to LAs regarding issues of eligibility – and B had placed a notice on their portal to educate parents that all eligibility checks are 'done' by HMRC
 - Elsewhere, there was a general concern that CCPs would need some education, and most LAs have put some kind of processes in place to educate CCPs – some felt that the DfE provided guidance was currently insufficient, in that it doesn't contain visuals or specific instructions

for using the portal

Expected impact and lessons learned

- Overall, concerns about workload at the LA level were minimal
 - The use of the ECS and portal service was expected to considerably lower the level of input required by LAs and to replicate processes already in place and familiar to LAs and CCPs from administering existing support, in particular the 2-Year-Old early education entitlement
- However, there is seen to be potentially some extra burden on CCPs, especially at the start of the trial if they receive a large influx of codes, as the burden will be on them to actually check eligibility and notify parents
 - As such, some LAs have introduced additional training sessions and materials in advance of this period to prevent a CCP/parent backlash and ensure that CCPs are equipped to cope and happy to 'buy in' to the offer
 - Others, however, felt that this was not significantly different from current 'headcount' processes followed by CCPs and were less concerned
- Given this, and as all plan to have a portal up and running in time for launch, there were few concerns about rollout – although some felt that timing-wise it will not provide enough time to administer the benefit for September
 - According to LA staff, Parents and especially CCPs tend to think about funding from at least half way through the preceding terms, and so if the programme is to launch in September then it will likely not be practically used until the following term
- Lessons for other Local Authorities
 - Having the right digital processes in place is key and existing systems may not easily be compatible with the ECS module. It is therefore best to start to think about this as early as possible. Early implementation areas should provide a guide to best practice (D) and what can potentially be a challenge (B)
- For the launch, the main administrative burden is likely to fall on CCPs and they are also in the best position to communicate the offer to parents – so educating them about the benefit and supporting them through the process should be a priority, including helping them to communicate with parents